

## BAJAJ HOLDINGS & INVESTMENT LIMITED

### PERFORMANCE EVALUATION CRITERIA FOR BOARD, COMMITTEES OF BOARD, CHAIRPERSON AND DIRECTORS

<b>Version control</b>			
<b>Version</b>	<b>Date of Approval / Amendment</b>	<b>Remarks</b>	<b>Author</b>
1.0	5 January 2017	Adoption of the Board Evaluation Criteria	Secretarial Team
1.1	15 March 2023	Annual Review	Secretarial Team
1.2	21 March 2024	Annual Review	Secretarial Team
1.3	30 January 2025	Revision in the Board Evaluation Criteria	Secretarial Team
1.4	21 March 2025	Annual Review	Secretarial Team
1.5	20 March 2026	Annual Review	Secretarial Team.

## **Performance Evaluation Criteria for Board, Committees of Board, Chairperson and Directors**

### **Background:**

The Company adopted criteria for performance evaluation for Board, Committees, Chairperson and Directors taking into account the regulatory requirements and SEBI's Guidance Note dated 5 January 2017 on Board Evaluation.

The criteria was relooked to accommodate various aspects viz. regulatory expectations, emerging areas of Board deliberations, Stanton Chase observations on the Board trends, amended SEBI Regulations, Companies Act, 2013, and SEBI Guidance Notes & other applicable legal provisions.

### **Objectives of Performance Evaluation:**

For a Company to perform well, one of the most important requirements is to have a balanced and knowledgeable Board of Directors. Stakeholders require assurances regularly that the boards are well equipped to perform their duties diligently and in the interests of the company and its stakeholders.

In order to provide such assurances, the company needs to put in place processes to periodically review the performance of the Board, Committees, Chairperson and the individual directors. With this broad objective in view, the Company has set up as provided herein a robust Board Evaluation Process / System in the Company.

Other objectives of the Company's Board Evaluation System are:-

- To enhance transparency and accountability;
- To move on the path of continual improvement; and
- To remove gaps, if any, seen in strategic, business and governance functions in the Company and its Board.

### **Criteria for Performance Evaluation:**

To carry out performance evaluation of Board, Committees, Chairperson and Directors, criteria to be considered would, inter alia, include the following:

#### **Part A: For Board & Committees of Board:**

- Competencies, no. of directors, experience and expertise of the Board as a whole to conduct the affairs of the Company effectively.
- Frequency & Quality of Meetings including matters for discussion circulated well in advance.
- Monitoring the effectiveness of Corporate Governance practices and Compliance.
  
- Ensuring the integrity of the company's accounting and financial reporting systems, independent audit, internal audit and risk management systems (for Board, Audit Committee & Risk Management Committee).

- Reviewing Management's Performance and providing appropriate feedback to them.
- Working in the interests of all the stakeholders of the Company.
- Clear understanding of the organisation's core business including its strategic direction and innovation.
- Monitoring potential conflicts of interest of management, members of the board of directors, shareholders and related party transactions from time to time.
- Clear and transparent process of appointment to the Board after considering the diversity of thought, experience, knowledge and perspective that may be required [For Board and Nomination and Remuneration Committee to be evaluated].
- Appropriate and adequate succession plan is in place for Board and Senior Management and is being reviewed and overseen periodically by the Board [For Board and Nomination and Remuneration Committee to be evaluated].
- Review of the grievance redressal mechanism of investors [For Stakeholder Relationship Committee to be evaluated].
- Review of the high-risk issues impacting the organisation [For Risk Management Committee to be evaluated].

**Part B: For Directors:**

- Regularly and constructively attend board, committee and general meetings as relevant and uses independent judgement in relation to decision making.
- Compliance with the code of conduct of the company including maintaining confidentiality.
- Demonstrating high level of integrity and acting in the interest of the company as a whole.
- Exercising duties with due diligence and reasonable care.
- Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion.
- Maintaining relationships of mutual trust and respect with Board Members.
- Capacity to effectively examine financial and other information on operations of the Company.
- Sufficient understanding and knowledge of the Company and the Sector in which it operates. Staying abreast of issues, trends, and risks (including opportunities and competitive factors) affecting the company, and using this information to assess and guide the Company's performance.

**Part C: For Independent Directors (Additional Criteria):**

- Bringing external expertise and independent judgement that contributes to the objectivity of the Board's deliberation, particularly on issues of strategy, performance, resources, key appointments, risk management, and standards of conduct.
- Devotion of sufficient time and attention towards professional obligations for independent decision and acting in the interest of all stakeholders, particularly minority shareholders.

**Part D: For Executive Directors (Additional Criteria):**

- Ability to anticipate emerging risks, business trends, financial prudence, opportunities, incorporating technological innovations to stay competitive and translating the same into actions.
- Open to constructive suggestions and exercise effective leadership for the organisation.

**Part E: For Chairperson (Additional Criteria):**

- Conducts meetings in a manner that encourages all members to share their views including dissenting views.
- Leads the Board effectively in an impartial manner.
- Demonstrates commitment to high standards of Governance.
- Ability to keep all stakeholders' interests in mind.

The aforesaid criteria for performance evaluation are subject to review from time to time. The review will be generally done once in 3 (three) years.

**Date: 20 March 2026**

**Place: Pune**

**Chairman**