

Performance Evaluation Criteria for Board, Committees of Board, Chairman and Directors

Background:

The Company has laid down criteria for performance evaluation for Board, Committees of Board and Directors vide approval given by the Board at its meeting held on 14 October 2014. SEBI has recently come out with a Guidance Note on 5 January 2017 on Board Evaluation, which inter alia provides that this is to serve as a Guide for listed entities and is to be adopted as considered appropriate.

Accordingly, taking into account the said Guidance Note & other applicable legal provisions, the criteria for Performance Evaluation, as recommended by the Nomination & Remuneration Committee are being revised as under:

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:

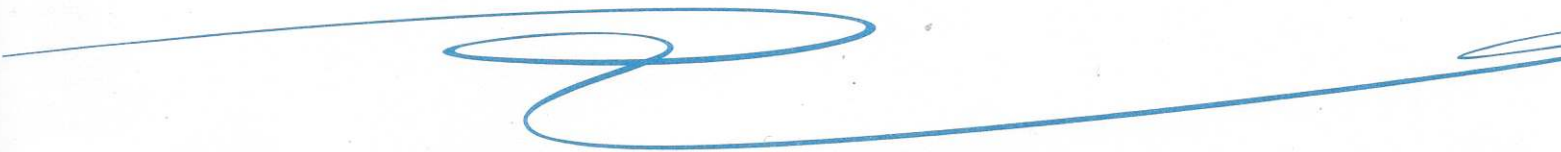
To carry out performance evaluation of Board, Committees, Chairperson and Directors, criteria to be considered would, inter alia, include the following:

Part A: For Board & Committees of Board

1. Composition with requisite number of Independent Directors (and woman director in the case of Board)
2. Frequency & Quality of Meetings
3. Discharge of the key functions & other responsibilities prescribed under Law
4. Monitoring the effectiveness of corporate governance practices
5. 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*)
6. Reviewing Management's Performance
7. Working in the interests of all the stakeholders of the company.

Part B: For Directors

1. Attendance and Participation
2. Pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition
3. Maintaining confidentiality
4. Acting in good faith and in the interests of the company as a whole
5. Exercising duties with due diligence and reasonable care
6. Complying with legislations and regulations in letter and spirit
7. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion
8. Maintaining relationships of mutual trust and respect with Board members
9. Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.



Part C: For Independent Directors (Additional Criterion)

Independence & Independent views and judgement

Part D: For Chairperson (Additional Criteria)

1. Effectiveness of leadership and ability to steer the meetings
2. Impartiality
3. Commitment
4. Ability to keep shareholders' interests in mind

The evaluation shall be done by the Board, by the Nomination & Remuneration Committee and by the Independent Directors in their separate meeting, as prescribed under the applicable laws.

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

for Bajaj Holdings & Investment Limited,

Pune
16 March 2017


CHAIRMAN

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