MANIPAL PAYMENT AND IDENTITY SOLUTIONS LIMITED

POLICY ON BOARD EVALUATION

VERSION CONTROL

Version Control No.	Date Created / updated	Date Effective	Version Description
1.0	23rd June, 2025	23rd June, 2025	Approval of Policy

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1. LEGAL FRAMEWORK

In accordance with the provisions of the Section 178 Companies Act, 2013 and Regulation 19 and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR)" or "Listing Regulations") as amended from time to time, the Nomination and Remuneration Committee (NRC) shall lay down evaluation criteria for the performance evaluation of Independent Directors.

2. EFFECTIVE DATE

This Policy shall come into force with effect from 23rd June, 2025.

3. OBJECTIVES & SCOPE

The objectives of board evaluation are to enhance the overall effectiveness and governance of the board in order to achieve the organization's goals. Key objectives include:

(a) **Improving Board Performance:** Evaluations aim to improve the board's performance in fulfilling its corporate goals and objectives by identifying strengths and weaknesses in decision-making, strategy, and oversight functions.

(b) **Assessing Skills, Knowledge, and Experience:** Board evaluation helps assess whether the board collectively has the right balance of skills, expertise, and experience needed to meet the organization's current and future challenges.

(c) **Identifying Areas for Improvement:** The process highlights areas of concern or gaps in governance, board dynamics, processes, or compliance that require focused attention and improvement.

(d) **Enhancing Board Dynamics and Relationships:** Evaluations review interpersonal and professional interactions within the board and with executive management to ensure a collaborative, constructive, and effective working environment.

(e) **Ensuring Good Governance and Compliance:** Board evaluation supports adherence to legal requirements, governance codes, and best practices, reinforcing transparency, accountability, and ethical standards.

(f) **Supporting Succession Planning and Diversity:** The evaluation identifies opportunities to improve board composition, including diversity and succession planning, which are crucial for long-term sustainability.

(g) **Facilitating Strategic Focus:** It helps the board allocate time effectively, often shifting focus from past developments to future strategy and value creation.

(h) **Building Accountability and Transparency:** By assessing individual and collective responsibilities, evaluations promote accountability among board members and build trust with stakeholders.

4. EVALUATION FACTORS

The Nomination and Remuneration Committee ("NRC") shall evaluate the performance of every Director. The evaluation of the performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated in the same way as it is for the Executive Directors of the Company except the Director getting evaluated. Evaluation should be carried out at least once a year.

While evaluating the performance of the Non-Executive Directors ("NED"s), the following parameters shall be considered:

(a) Attendance at meetings of the Board and Committees thereof;
(b) Participation in Board Meetings or Committees thereof;
(c) Contribution to strategic decision-making;
(d) Review of risk assessment and risk mitigation;
(e) Review of financial statements, business performance; and
(f) Contribution to the enhancement of the brand image of the Company.

While evaluating the performance of the Chairman and Managing Director, the NRC shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company.

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of the performance of the Board itself, and of its committees and individual Directors as such evaluation factors may vary in accordance with their respective functions and duties. The evaluation of each Director of the Company shall be based on the rating scale from 1 to 5 **(1 being least effective and 5 being most effective).**

5. EVALUATION OF INDEPENDENT DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of Independent Director, in which the concerned Director being evaluated shall not be included, are set out below:

Name of Director being assessed: ____________________

Sr. No.	Assessment criteria	Rating	Remarks
1.	Attendance and participations in the meetings		
2.	Raising of concerns to the Chairman of the Board		
3.	Safeguard of confidential information		
4.	Rendering independent, unbiased opinion and resolution of issues at meetings		
5.	Initiative in terms of new ideas and planning for the Company		
6.	Safeguarding interest of whistle-blowers under vigil mechanism		
7.	Timely inputs on the minutes of the meetings of the Board and Committees, if any		

8	Adheres to all other standards of the Code for Independent Directors as per the Schedule IV to the Companies Act, 2013		
9	Advises and assists the Company in implementing the best corporate governance practices		

6. EVALUATION OF NON-INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of the Chairman/Managing Director/Non-Independent Director/Executive Director by the Independent Directors, in which the concerned director being evaluated shall not be included, are set out below:

Name of Director being assessed: ____________________

Sr. No.	Assessment criteria	Rating	Remarks
1.	Leadership initiative		
2.	Initiative in terms of new ideas and planning for the Company		
3.	Professional skills, problem solving, and decision-making		
4.	Compliance with policies of the Company, ethics, code of conduct, etc.		
5.	Reporting of frauds, violation etc.		
6.	Safeguarding of interest of whistle blowers under vigil mechanism		
7.	Timely inputs on the minutes of the meetings of the Board and Committee, if any.		

7. EVALUATION OF THE BOARD OF DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by Independent Directors are set out below:

Sr. No.	Assessment criteria	Rating	Remarks
1.	The Board of Directors of the Company is effective in decision making.		
2.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.		
3.	The Company's control systems are effective for identifying material risks and reporting material violations of policies and law.		
4.	The Board reviews the organization's performance in carrying out the stated mission on a regular basis.		

5.	The Board of Directors is effective in providing necessary advice and suggestions to the Company"s management.		
6.	Board as a whole is up to date with latest developments in the regulatory environment and the market .		
7.	The information provided to Directors prior to Board Meetings meets your expectations in terms of length and level of detail.		
8.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		
9.	The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.		
10.	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.		
11.	The Board oversees the role of the Independent Auditor from selection to termination and has an effective process to evaluate the Independent Auditor's qualifications and performance.		

8. EVALUATION OF THE COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following committees:
(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders Relationship Committee
(d) Corporate Social Responsibility Committee;
(e) Risk Management Committee

For evaluating the performance of each Committee, the Board of Directors shall pay regards to the following aspects as set out below:

Sr. No.	Assessment criteria	Rating	Remarks
1.	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
2.	Committees have fulfilled its functions as assigned by the Board and laws as may be applicable.		
3.	Adequate independence of Committees is ensured.		
4.	Timely inputs on the Minutes of the Meetings		

9. COMMUNICATION

In accordance with the requirement under the Companies Act, 2013, Rules framed thereunder and SEBI (LODR) Regulations, 2015, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors. The Company shall disclose the evaluation criteria in its Annual Report. The Policy will be available in the public domain i.e. on the website of the Company.

10. RETENTION OF DOCUMENTS

All important documents generated in the implementation of this Policy shall be retained by the Company for a period of 8 (eight) years or such other period as specified by any other applicable law in force, whichever is more.

11. ADMINISTRATION OF THE POLICY

The Nomination and Remuneration Committee shall oversee the implementation of the policy and keep the Board updated periodically.

12. REVIEW AND AMENDMENT

The Nomination and Remuneration Committee may amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company. This Policy may be amended by passing a resolution in a meeting of the Committee.

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