



**ANGEL ONE LIMITED**

**BOARD EVALUATION POLICY**

*(Pursuant to Section 134(3)(p) of Companies Act, 2013)*

<b>Particulars</b>	<b>Date</b>	<b>Version</b>
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## **BOARD EVALUATION POLICY**

### **Background:**

Angel One Limited ("**AOL/Company**") conducts its operations under the overall direction of the Board of Directors ("**Board**") within the framework, powers and procedures laid down by various statutes including the Companies Act, 2013 ("**the Act**"); the Articles of Association, Code of Conduct and Policies formulated by the Company for its internal execution.

The Board of the Company has basis the recommendation of the Nomination and Remuneration Committee ("**NRC**"), adopted this Board Evaluation Policy ("**Policy**") to comply with the provisions of the Section 178(2) of the Act and the provisions of clause 19 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("the SEBI LODR Regulations") and other applicable provisions which provides a guidance on evaluation of performance, on an annual basis of a.) Individual Directors (including independent Directors and Chairperson); b.) The Board as a whole; and c.) Various committees of the Board. The Act mandates certain categories of companies to have in place a Performance Evaluation Mechanism of the Board and the Directors.

Further, Schedule IV of the Act, which prescribes the Code of Conduct for Independent Directors, provides for an evaluation mechanism for the Board and whole time directors which needs to be done at a separate meeting of Independent Directors.

The Company recognizes and embraces that an evaluation procedure will provide a fine system of checks and balances on the performance of the Directors and will ensure that they exercise their powers in a rational manner. The purpose of the Board Evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony.

This Policy aims at establishing a procedure for the Board to conduct periodic evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

### **Definitions:**

**"Act":** The Act shall mean The Companies Act, 2013;

**"Committee":** The Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.



**"Company":** The Company shall mean 'Angel One Limited'

**"Director" or "Board":** The Director or the Board, in relation to the Company, shall mean the collective body of Directors of the Company.

**"Independent Director":** The Independent Director shall mean an Independent Director as defined under Section 2(47) to be read with section 149(5) of the Act and Regulation 16(1)(b) of SEBI LODR Regulations.

**"Policy":** The policy shall mean the evaluation Policy for Evaluation of performance of Board of Directors of the Company.

**"SEBI"** means the Securities and Exchange Board of India.

**"SEBI Act"** means Securities and Exchange Board of India Act, 1992,

**"SEBI (LODR) Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Words and phrases used in this Policy and not defined herein shall derive their meaning from the Applicable Law.

**Role of the Nomination and Remuneration Committee (NRC):**

- a. NRC shall formulate of criteria for evaluation of performance of independent directors and the board of directors.
- b. NRC shall carry out evaluation of every director's performance.
- c. NRC shall determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- d. NRC shall evaluate the balance of skills, knowledge and experience on the Board for every appointment of an independent director and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.

**Role of independent directors:**

- a. In the meeting of independent directors of the company to be held at least once in year (without the attendance of non-independent directors and management), such directors shall:
  - i. review the performance of non-independent directors (executive and whole-time directors) and the Board as a whole.
  - ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
  - iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



- b. The independent directors shall bring an objective view in the evaluation of the performance of board and management.*

*All the independent directors of the company shall strive to be present at such meeting.*

**Identification of persons to act as Directors**

*The NRC, while recommending the appointment of Directors may consider the desirable qualifications, which may amongst other things include professional qualifications, skills sets, industry experience, background, value addition to the Company, positive attributes and the criteria of independence as prescribed under the Act. The Policy on remuneration to Directors shall consider the requirements as specified in the Act.*

*Section 178 of the Act along with SEBI LODR Regulations require every listed entity to:*

- Identify persons who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal;*
- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy in relation to the remuneration for the Directors, Key Managerial Personnel and other employees;*
- Evaluate the balance of skills, knowledge and experience on the Board for every appointment of an independent director and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.*
- Carry out evaluation of performance of each Director;*
- Carry out any other function contained in the Listing Agreement/SEBI LODR Regulations, as amended from time to time.*
- Perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.*

**Performance Evaluation**

**Board:**

*The Board shall carry out the annual evaluation process of its own performance as envisaged in the Act and the Individual Directors (excluding the Director being evaluated). The criteria to evaluate encompasses three broad factors namely:*

- i) contribution ii) counseling and iii) controlling.*

*The Board performance evaluation shall: -*

- review the role and performance of the Board and the Individual Directors;*

- assess the Board effectiveness – both the Board as a whole and Individual Director’s contribution to general discussions, business proposals and governance practices;
- evaluate the quality and quantity of the discussions at Board meetings, the adequacy of the reports and information they receive, the level of interpersonal cohesion amongst the Board members;
- evaluate its effectiveness in use of time, opportunity to adequately assess the management performance, keeping abreast of developments in the business and regulatory environment, frequency and duration of the meetings.
- factor the suggestions received from Directors for change/improvisation.
- assess the duties are discharged in accordance with provisions of the Act.

#### **Chairperson**

The performance of the Chairperson be evaluated, amongst other things, on the basis of leadership qualities, ability to steer the meetings, impartiality, ability to keep shareholder’s interest in mind, strategic thinking, decision making, business acumen, contribution to resolution of divergent views, time commitment, interaction with management, relationships and communications with the stakeholders.

Different criteria may be assigned to different weights depending on the organization’s requirements, circumstances, outcome of previous assessments, stage of Board’s maturity, etc.

#### **Managing Director/Executive Directors/ Whole Time Director:**

The performance of Managing Director/Executive Director/Whole Time Director shall be first reviewed by the Chairperson and recommendation be made to the Nomination and Remuneration Committee.

Some of the parameters for evaluation that can be considered are:

- to assess the overall contribution to the performance of the Company in terms of the tasks handled.
- leadership qualities
- conduct of Meetings, in the absence of the Chairperson, if the need arises
- contribution to strategic plans
- decision making abilities, relationship with stakeholders.

#### **Committees of the Board:**

This Policy is to ensure that the Committees, to whom the Board has delegated responsibilities, are performing efficiently and effectively in accordance with the terms of reference set out in their charter.

This encompasses the necessity of establishing any Committee and reviewing the Charter of the Committee from time to time.

The evaluation of the performance of the Committees shall be done on annual basis.

The evaluation shall be done on the basis of mandate and composition, effectiveness of the Committee, Structure of committee and meetings, Independence of the Committee from the Board, their contributions to the decision of the Board, etc.



### **Non-Executive Directors:**

The performance of Non-Executive Director be evaluated, amongst other things, on the basis of strategic thinking, knowledge and competency, initiative, integrity, business acumen, teamwork, contribution to resolution of divergent views, proactive participation, and time commitment. The performance of the Individual Director's will also be assessed on handling the conflict of interest/situation, if any.

### **Independent Directors**

The performance evaluation of Non-Executive Independent Directors ("**NEID**") shall be done by the entire Board of Directors, excluding the director being evaluated.

Independent directors have key roles to perform namely in the areas of governance, guiding in strategy formulation, ensuring statutory compliances and such other key matters which could be of importance to the Company.

Some of the performance indicators on which the Independent Directors may be evaluated are:-

- contributing and monitoring of Corporate Governance practices.
- attendance at Board, Committee Meetings of the Company, etc.
- making aware of international best practices for improvisement.
- active participation in strategic planning.
- commitment to the fulfillment of duties and fiduciary responsibilities as enshrined in various statutes and charter of Committees.
- not allowing any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
- refraining from any action that would lead to loss of his independence.
- maintain confidentiality of information provided unless such disclosure is expressly required by law.

### **NON-EXECUTIVE DIRECTOR COMPENSATION FRAMEWORK:**

In accordance with the provisions of the Act and SEBI (LODR) Regulations and any amendments thereof, the individual commission payout is to be determined.

The individual commission payment for a Non-Executive Director would be determined by:

- Board Effectiveness
- Revenue
- Attendance

The evaluation will be conducted annually to assess effectiveness as part of the annual evaluation process, and it will be finalized at the end of the year.



*The Chairperson will review and finalize the payment to each Non-Executive Director, considering the above parameters.*

*The Total Remuneration (Sitting fees plus commissions) per NED incase the company is loss making or in case of inadequate profits would be determined considering the extant provisions of the Act and SEBI (LODR) Regulations and any amendments thereof.*

**EXTERNAL CONSULTANTS:**

*The Board/NRC may engage independent external consultants periodically to provide advice and assistance in the evaluation process.*

**REVIEW OF POLICY:**

*The NRC has a right to review and amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.*

**DISCLOSURE:**

*AOL will disclose a statement indicating the manner in which formal Board Performance Evaluation processes have been conducted in its Board's Report and the key features of this Policy would also be included in the corporate governance statement contained in the annual report of the Company. The Policy will be available in the public domain i.e. on the website of the Company at <https://www.angelone.in>.*

**SCOPE AND LIMITATION:**

*In the event of any conflict between the provisions of this Policy and the Act or SEBI LODR Regulations or any other statutory enactments or rules, the provisions of SEBI LODR Regulations / Act or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.*