

## **CRITERIA FOR EVALUATION**

**(as amended on 29<sup>th</sup> March 2019)**

### **Criteria for evaluation of the Board and non-independent directors at a separate meeting of Independent Directors:**

1. Composition of the Board and availability of multi-disciplinary skills.  
Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make SFHL a versatile institution.
2. Commitment to good Corporate Governance Practices
  - a) Whether the company practises high ethical and moral standards.
  - b) Whether the company is fair and transparent in all its dealings with the stake holders.
3. Adherence to Regulatory Compliance  
Whether the company adheres to the various Government regulations.....Local, State and Central, in time.
4. Track record of financial performance  
Whether the Company has been consistently recording satisfactory and profitable financial performance year on year adding to shareholder value.  
  
Whether the Company is transparent in all its disclosures on financial data.
5. Grievance redressal mechanism  
Whether a proper system is in place to attend to the complaints / grievances from the shareholders, depositors, customers, employees and others quickly and fairly.



6. Existence of integrated Risk Management System

Whether the Company has an integrated risk management system to cover the business risks.

7. Use of Modern technology

Whether the Company has an Integrated IT strategy and whether there is any system for periodical technology upgradation covering both hardware and software.

8. Commitment to CSR

Whether the Company is committed to social causes and CSR and whether there is a system to identify, finance and monitor such social activities.

**Criteria for evaluation of Chairman at separate meeting of Independent Directors:**

1. Leadership qualities
2. Standard of Integrity
3. Understanding of Macro economic trends and Micro industry trends.
4. Public Relations
5. Future Vision and Innovation

**Criteria for evaluation of Independent Directors by the entire Board:**

1. Qualifications & Experience
2. Standard of Integrity
3. Attendance in Board Meetings/AGM
4. Understanding of Company's business
5. Value addition in Board Meetings
6. Fulfillment of Independence Criteria

**Criteria for evaluation of *Committees* by the Board with reference to the respective terms of reference:**

1. Qualification & Experience of members
2. Depth of review of *various matters*, including financial performance
3. Review of regulatory compliance

