

BOARD EVALUATION POLICY

1. **Background:**

The Board of Directors of The Catholic Syrian Bank Limited has, basis the recommendation of the Nomination and Remuneration Committee, adopted this board evaluation policy to comply with the various provisions under Regulation 19 and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR**”), as amended, and the Companies Act, 2013, as amended.

The Policy is based on the SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation (“**SEBI Guidance Note**”).

2. **Object:**

The Policy has been framed with an objective to ensure individual directors of the Company and the Board as a whole, work efficiently and effectively in achieving their functions, for the benefit of the Company and its stakeholders. Accordingly, the Policy provides guidance on evaluation of the performance, on an annual basis, of: (i) individual Directors (including the Chairperson, Managing Director & CEO and independent directors of the Company); (ii) the Board as a whole; and (iii) various committees of the Board.

3. **Definitions**

- 3.1 “**Board of Directors**” or “**the Board**” shall mean the collective body of directors of The Catholic Syrian Bank Limited;
- 3.2 “**Board Committees**” or “**Committees of the Board**” shall mean the committees of the Board of Directors of The Catholic Syrian Bank Limited, constituted under provisions of the Companies Act, 2013, SEBI(LODR) Regulations, 2015 and as per the extant Reserve Bank of India directions/rules/regulations;
- 3.3 “**Companies Act**” shall mean the Companies Act, 2013, as amended;
- 3.4 “**Company / Bank**” shall mean the Catholic Syrian Bank Limited;
- 3.5 “**Director**” means a director appointed to the Board of the Catholic Syrian Bank Limited;
- 3.6 “**Independent Director**” shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and SEBI (LODR) Regulations, 2015;
- 3.7 “**Nomination & Remuneration Committee**” or “**NRC**” shall mean a Committee of Board of the Catholic Syrian Bank Limited, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 27 of SCR (SECC) Regulations, 2012.
- 3.8 “**Policy**” means this “**Board Evaluation Policy.**”

4. **Interpretation**

In any circumstances, where the terms of this Policy differ from any existing or enacted law, rule, regulation governing the Catholic Syrian Bank Limited, the law, rule or regulation will take precedence over the provisions of this Policy.

5. **Manner of Evaluation:**

Evaluation of Individual Directors

- 5.1 Performance of individual Directors of the Company (including the Chairperson, Managing Director & CEO and Independent Directors) shall be evaluated, on an annual basis, either by the Board, by the Nomination and Remuneration Committee or by an independent external agency.
- 5.2 In carrying out its evaluation, the Board and/ or the Nomination and Remuneration Committee, shall keep in mind the evaluation parameters set out in: (i) Annexure 1 with respect to all Directors other than the Independent Directors, Chairperson and Managing Director & CEO; (ii) Annexure 2 with respect to the Independent Directors; and (iii) Annexure 3 with respect to the Chairperson and (iv) Annexure 4 with respect to Managing Director & CEO of the Company.
- 5.3 While evaluating the performance of individual Directors, the Board/Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual Director, the performance of the Company and the role of the individual Director within the Company. Further, the Board/Nomination and Remuneration Committee shall determine whether to extend or continue the term of appointment of each Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- 5.4 In addition, the Independent Directors shall hold a meeting at least once in any given year, without the presence of the non-Independent Directors of the Company, to review the performance of: (i) such non-Independent Directors in accordance with the evaluation parameters set out in Annexure 1; and (ii) the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors, and the evaluation parameters set out in Annexure 3;. All Independent Directors shall strive to attend such meeting.

Evaluation of the Board

- 5.5 The Board shall, on an annual basis, evaluate its own performance keeping in mind the evaluation parameters set out in Annexure 5.
- 5.6 In addition, the Independent Directors, in the meeting referred to in paragraph 5.4 above, without the presence of the non-Independent Directors of the Company, shall (i) review the performance of the Board as a whole in accordance with the evaluation parameters set out in Annexure 5; and assess the quality, quantity and timelines of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Evaluation of the Board Committees

- 5.7 The Board shall, on an annual basis, evaluate the performance of each Board Committee as per the evaluation parameters set out in Annexure 6.
- 5.8 In addition, the Board shall (i) assess the quality, quantity and timelines of flow of information between the management of the Company and the Board Committees that is necessary for the Board to effectively and reasonably perform its duties.

Criteria for Evaluation

- 5.9 The criteria for evaluation are laid out in the relevant Annexures. These include quantitative questions along with an option to provide qualitative comments. Each of the questions have the following five options:

Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
1	2	3	4	5

6. FEEDBACK

The Chairman or any person suitably appointed by the Board shall give [a written assessment/ an oral feedback] to:

- (i) each Director separately;
- (ii) the entire Board; and
- (iii) each Board Committee.

Provided in case the members are not comfortable with open individual assessment, provision for confidentiality may be made where possible.

7. ACTION PLAN

- 7.1 Once responses from all the Directors have been received, an Action Plan may be chalked out as given below:
- (i) The nature of actions, including training and skill building, required to be undertaken to address the identified areas.
 - (ii) Timeline within which the actions detailed in the Action Plan shall be completed.
 - (iii) Persons responsible for the implementation of the Action Plan.
 - (iv) Resources required to achieve the objectives set out in the Action Plan.

- 7.2 The Board must review the actions set out in the Action Plan within a specific time period.

8. POLICY REVIEW

Subject to the approval of the Board, the Nomination and Remuneration Committee reserves its 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/reviewed on an annual basis by the Nomination and Remuneration Committee and place to the Board for information.

9. DISCLOSURE

In accordance with the requirements under the LODR and the Companies Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of its own performance, performance of various Board Committees and individual Directors will be made by the Board in the Board's report. The key features of this Policy will be included in the corporate governance statement contained in the annual report of the Company.

Performance evaluation of Directors and Board as a whole and its Committees to be carried out in the last quarter of every financial year.

10. Draft of statement to be incorporated in the Board's Report:

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual director, also of the Board as a whole and its Committees individually has been carried by your company as per the evaluation criteria formulated by the Nomination and Remuneration Committee and approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013 and the guidelines prescribed by the Securities and Exchange Board of India in its circular dated January 5, 2017.

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

THE CATHOLIC SYRIAN BANK LIMITED

Registered Office: 'CSB Bhavan', St. Mary's College Road, Post Box No. 502; Thrissur, Kerala-680 020

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Corporate Identity Number: U65191KL1920PLC000175

Evaluation of Independent Director's performance

(PEER REVIEW – by Directors other than director being evaluated)

Name of the Director being evaluated:

Financial Year:

			How to Interpret the ratings				
			1. Outstanding 2. Exceeds Expectation 3. Meets Expectation 4. Needs Improvement 5. Poor				
Parameter	Sr.	Question	1	2	3	4	5
Qualification	1.1	Professionally Qualified					
Knowledge, Experience & Competency	2.1	Understands the roles, responsibilities and duties as director					
	2.2	Brings in the relevant experience to the table					
	2.3	Understands and keeps abreast with the external operating environment of the Company					
	2.4	Knowledgeable & Competent in the functional areas for effective functioning of the Bank.					
Fulfillment of functions	3.1	The person understands and fulfills the functions to him/her as assigned by the Board and the law					
Availability and Attendance	4.1	The person is available for meetings of the Board and attends the meeting regularly and timely, without delay.					
	4.2	Prepares adequately for the meetings					
	4.3	Is succinct, to the point and contributes effectively to the deliberations					
Commitment	5.1	The person is adequately committed to the Board and the entity					
Contribution	6.1	The person contributed effectively to the entity and in the Board meetings					
Integrity	7.1	The person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)					
Behavior	8.1	Is cooperative, is respected and is a team player					
	8.2	Has a positive way to sort out differences, if any					
Independence	9.1	Independent from the entity and the other directors and there is no conflict of interest					
Independent views and judgment	10.1	The person exercises his/ her own judgment and voices opinion freely					
	10.2	Director helps in bringing independent judgment during board deliberations on strategy, performance, risk management etc.					
Level of Oversight	11.1	Has ensured that concerns raised are addressed by the Board. If significant concerns are not addressed, ensures that these are minuted in the minutes of the Board meeting.					
	11.2	Has reviewed the Related Party transactions, if any and ensured that they are in the interest of the Company.					
	11.3	Has participated constructively and objectively in all meetings of the Board or committee of the Board where he is a member					
	11.4	Has evaluated all significant complaints and whistle blower information received, if any by the Company					
	11.5	Has ensured that the money spent on CSR has been as per the CSR					

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Evaluation of Managing Director & CEO's performance (By all the Board members)

Name of the Managing Director & CEO being evaluated:

Financial Year :

			How to Interpret the ratings				
			1. Outstanding	2. Exceeds Expectation	3. Meets Expectation	4. Needs Improvement	5. Poor
Parameter	Sr.	Question	1	2	3	4	5
Qualification	1.1	Professionally Qualified					
Knowledge, Experience & Competency	2.1	Understands the roles, responsibilities and duties as Managing director & CEO					
	2.2	Brings in the relevant experience to the table					
	2.3	Understands and keeps abreast with the external operating environment of the Bank					
	2.4	Knowledgeable & Competent in the functional areas for effective functioning of the Bank.					
Fulfillment of functions	3.1	The Managing director & CEO understands and fulfills the functions to him/her as assigned by the Board and the law					
	4.1	The person is able to function as an effective team leader					
Leadership	4.2	Open-minded, decisive, courteous, displays professionalism, able to coordinate other executives, etc and is overall able to steer the Bank effectively.					
	4.3	The MD has shown clear vision in correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations.					
	4.4	The MD has clearly translated his/her vision and strategy into feasible business or operational plans to achieve strategic success for the Company.					
	4.5	The MD has accurately communicated his concept, vision, mission, strategies, goals, and directions for the Bank to stakeholders.					
	4.6	The MD has motivated and encouraged high employee morale and loyalty to the organization, and facilitated team-building and cohesiveness among the Bank's employees to achieve the Bank's vision.					
	4.7	The MD is open to constructive suggestions, and exercised effective leadership for the organization.					
	4.8	The MD has been an initiator, setting high working standards and pursuing goals with a high level of personal drive and energy.					
Strategy Formulation	5.1	The MD has developed clear mission statements, policies, and strategic plans that harmoniously balance the needs of shareholders, clients, employees, and other stakeholders.					
	5.2	The MD has accurately identified and analyzed problems and issues confronting the Bank.					
	5.3	The MD has accurately determined and assessed key success factors for formulating the Bank's strategy.					
	5.4	The MD has ensured that board members, senior management and other employees had participated in the formulation of strategic plans so that they					

		had the ownership of the plans.						
	5.5	The MD has assured that company's resources and budgets are aligned to the implementation of the organization's strategic plan.						
	5.6	The MD has established processes that did the monitoring and controlling works, thus ensuring that the effectiveness of organizational performance, including risk management, was achieved.						
Strategy execution	6.1	The MD has established an effective organization structure, ensuring that there is management focus on key functions necessary for the organization to align with its mission.						
	6.2	The MD has organized and delegated work accurately, and has performed his functions within his scope of responsibility.						
	6.3	The MD has consistently made sound decisions and made timely adjustments in strategies, if required.						
	6.4	The MD has timely and effectively executed strategies on priorities and with measures set by the Board.						
	6.5	The MD has accurately supervised performance monitoring and performance control to ensure accountability at all levels of the organization.						
	6.6	The MD has ensured that the company's operations complied with requirements from all pertinent laws and regulations.						
Financial planning / performance	7.1	The MD has possessed a good understanding of the company's financial measures relevant to its business and financial situation.						
	7.2	The MD has exercised good judgment in managing the financial affairs and budgets of the organization.						
	7.3	The MD has effectively monitored and evaluated financial planning, budget and administrative operations.						
Relationships with the Board	8.1	The MD has built strong working relationships with Board members and has worked closely and cooperatively with the board in developing the mission, and short, medium and long-term strategic plans.						
	8.2	The MD has demonstrated a sound knowledge of Board governance procedures and has consistently followed them.						
	8.3	The MD has presented information to the board on items requiring Board opinions and decisions in a professional manner, with recommendations based on thorough study and sound principles.						
	8.4	The MD has been available to individual Board members whenever necessary, as well as supported the board in its governance duties by providing necessary resources and other facilities.						
External Relations	9.1	The MD has served as an effective Company's representative in communicating with all stakeholders.						
	9.2	The MD has encouraged corporate social responsibility and community involvement in promoting a positive image of Company.						
	9.3	The MD has assured that the Company maintains positive relationships in the community and cultivates good working relationships with community groups and organizations.						
Human Resources Management/ Relations	10.1	The MD has created and maintained an organizational culture and climate which attracts, keeps and motivates staff to carry out the Company's mission, strategic directions and organizational goals.						
	10.2	The MD effectively monitors procedures and practices pertaining to human resources, including appraisal process and rewarding systems for management and employees.						
	10.3	The MD has ensured that the company has good internal communication and treated all personnel fairly, without favoritism or discrimination						
Succession	11.1	The MD has effectively reviewed the Company's succession plan, and, if appropriate, made necessary changes by taking into account conditions that are external or internal to the Company.						
	11.2	The MD has put in place the processes and programs required to create a pipeline of future leadership.						
Product/	12.1	The MD has demonstrated a thorough knowledge and understanding about						

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Evaluation of Board's performance (by all the Directors)

Financial Year:

			How to Interpret the ratings				
			1. Outstanding	2. Exceeds Expectation	3. Meets Expectation	4. Needs Improvement	5. Poor
Parameter	Sr.	Question	1	2	3	4	5
Structure of the Board & Quality	1.1	Competency of directors: -Board as a whole has directors with a proper mix of competencies to conduct its affairs effectively.					
	1.2	Experience of directors: Board as a whole has directors with enough experience to conduct its affairs effectively.					
	1.3	Mix of qualifications: Board as a whole has directors with a proper mix of qualifications to conduct its affairs effectively.					
	1.4	Diversity in Board under various parameters: (Gender/background/competence/experience, etc). – There is sufficient diversity in the Board on the aforesaid parameters.					
	1.5	All the independent directors are independent in true letter and spirit (whether the independent Director has given declaration of independence and they exercise their own judgment, voice their concerns and act freely from any conflicts of interests.)					
	1.6	Board members demonstrate highest level of integrity (including maintaining confidentiality and identifying, disclosing and managing conflicts of interests).					
	1.7	Appointment to the Board: the process of appointment to the board of directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the board of directors.					
	1.8	The Board has the proper number of committees as required by legislation and guidelines, with well-defined terms of reference and reporting requirements.					
Meetings of the Board	2.1	Regularity of meetings: Meetings are being held on a regular basis					
	2.2	Frequency:					
		1. The Board meets frequently 2. The frequency of such meetings is enough for the Board to undertake its duties properly					
	2.3	Logistics: The logistics for the meeting is being handled properly- venue, format, timing, etc.					
	2.4	Agenda:					
		1. The agenda is circulated well before the meeting					
		2. The agenda has all relevant information to take decision on the matter					
3. The agenda is up to date, regularly reviewed and involves major substantial decisions							
	4. The quality of agenda and Board papers is up to the mark (explains issues properly, not overly lengthy, etc.)						
	5. The outstanding items of previous meetings are followed-up and taken up in subsequent agendas						
	6. The time allotted for the every item (especially substantive items) in the						

Function s of the Board	2.5	agenda of the meeting is sufficient for adequate discussions on the subject						
		7. The Board is able to finish discussion and decision on all agenda items in the meetings						
		8. Adequate and timely inputs are taken from the Board members prior to setting of the Agenda for the meeting						
		9. The agenda includes adequate information on Committee's activities						
		10. The facility for video conferencing for conducting meetings is robust.						
		Discussions and dissent:						
		1. The Board discusses every issue comprehensively and depending on the importance of the subject						
		2. The environment of the meeting induces free-flowing free flowing discussions, healthy debate and contribution by everyone without any fear or fervour						
		3. The discussions generally add value to the decision making						
		4. The Board tends towards groupthink and whether critical and dissenting suggestions are welcomed						
	5. All members actively participate in the discussions							
	6. Overall, the Board functions constructively as a team							
	2.6	Recording of minutes:						
		1. The minutes are being recorded properly- clearly, completely, accurately and consistently.						
		2. The minutes are approved properly in accordance with set procedures.						
		3. The minutes are timely circulated to all the Board members						
	2.7	4. Dissenting views are recorded in the minutes						
		Dissemination of information:						
	3.1	1. All the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly						
		2. Board is adequately informed of material matters in between meetings						
3.2	Role and responsibilities of the Board: The same are clearly documented E.g. Difference in roles of Chairman and CEO, Matters reserved for the Board, etc.							
	Strategy and performance evaluation:							
	1. Significant time of the Board is being devoted to management of current and potential strategic issues							
	2. Various scenario planning is used to evaluate strategic risks							
	3. The Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, and oversees major capital expenditures.							
	Governance and compliance:							
	1. Adequate time of the Board is being devoted to analyse and examine governance and compliance issues							
	2. The Board monitors the effectiveness of its governance practices and makes changes as needed							
	3. The Board ensures the integrity of the entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.							
	4. The Board oversees the process of disclosure and communications.							
5. The Board evaluates and analyses the compliance certificate from the auditors / practicing company secretaries, to the extend as applicable, regarding compliance of conditions of corporate governance.								
3.4	Evaluation of Risks:							
	1. Board undertakes a review of the high risk issues impacting the organization regularly							
	2. In assessment of risks, it is ensured that, while rightly encouraging positive							

		thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk.					
	3.5	Grievance redressal for Investors: 1. The Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved.					
	3.6	Conflict of interest: 1. The Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions 2. A sufficient number of non-executive members of the board of directors capable of exercising independent judgment are assigned to tasks where there is a potential for conflict of interest					
	3.7	Stakeholder value and responsibility: 1. The decision making process of the Board is adequate to assess creation of stakeholder value 2. The Board has mechanisms in place to communicate and engage with various stakeholders 3. The Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders. 4. The Board treats shareholders and stakeholders fairly where decisions of the board of directors may affect different shareholder/ stakeholder groups differently. 5. The Board regularly reviews the Business Responsibility Reporting / related corporate social responsibility initiatives of the entity and contribution to society, environment etc, to the extend as applicable.					
	3.8	Corporate culture and values: The Board sets a corporate culture and the values by which executives throughout a group shall behave					
	3.9	Review of Board evaluation: The Board monitors and reviews the Board evaluation framework.					
	3.10	Facilitation of independent directors: The Board facilitates the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively.					
Board and management	4.1	Evaluation of performance of the management and feedback: 1. The Board evaluates and monitors management, especially the CEO regularly and fairly and provides constructive feedback and strategic guidance 2. The measures used are broad enough to monitor performance of the management 3. The management's performance is benchmarked against industry peers 4. Remuneration of the management is in line with its performance and with industry peers 5. Remuneration of the Board and the management is aligned with the longer term interests of the entity and its shareholders. 6. The Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such evaluation. 7. The Board 'steps back' to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the entity's focus.					
	4.2	Independence of the management from the Board: The level of independence of the management from the Board is adequate					
	4.3	Access of the management to the Board and Board access to the management: The Board and the management are able to actively access each other and exchange information					
	4.4	Secretarial support: Adequate secretarial and logistical support is available for					

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Evaluation of Board Committees (by Board of Directors)

Name of the Committee:

Financial Year:

			How to Interpret the ratings				
			1. Outstanding 2. Exceeds Expectation 3. Meets Expectation 4. Needs Improvement 5. Poor				
Parameter	Sr.	Question	1	2	3	4	5
Mandate and composition	1.1	The mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.					
Effectiveness of the Committee	2.1	The Committee has fulfilled its functions as assigned by the Board and laws as may be applicable					
Committee Structure	3.1	The Committees have been structured properly and regular meetings are being held					
Meetings of the Committee	4.1	The agenda is circulated well before the meeting					
	4.2	The agenda has all relevant information to take decision on the matter					
	4.3	The quality of agenda and papers is up to the mark (explains issues properly, not overly lengthy, etc.)					
	4.4	The outstanding items of previous meetings are followed-up and taken up in subsequent agendas					
	4.5	The time allotted for the every item (especially substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject					
	4.6	The Committee discusses every issue comprehensively and depending on the importance of the subject					
	4.7	The minutes are being recorded properly- clearly, completely, accurately and consistently.					
Strategy	5.1	The Committee knows and keeps abreast of the trends and issues affecting the environment in which the Company operates.					
	5.2	Committee understands the role of the Committee adequately.					
Performance monitoring	6.1	Committee reviews the performance of the respective function in depth, on key parameters.					
	6.2	Committee provides clear and adequate guidance to the management on relevant issues.					
Management Relations	7.1	Committee gives effective suggestion and recommendation					
	7.2	Committee meetings are conducted in a manner that encourages open communication and meaningful participation of its members.					
Independence of the Committee from the Board	8.1	Adequate independence of the Committee is ensured from the Board					

