



LIFE INSURANCE

CANARA HSBC LIFE INSURANCE COMPANY LIMITED
CIN : L66010DL2007PLC248825

Board and Directors' Evaluation Policy

Owned by: Corporate Governance

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Version History

Release Date	Version	Revision Description	Approved By
12/02/2015	1.0	Initial version	NRC/ Board
11/08/2015	1.1	No change	NRC/Board
09/08/2016	1.2	No change	NRC/Board
10/02/2017	1.3	Minor changes pursuant to SEBI guidance note on Board evaluation	NRC/ Board
12/02/2018	1.4	Minor change	NRC/ Board
13/02/2019	1.5	Minor change	NRC/ Board
13/02/2020	1.6	Minor changes	NRC/ Board
23/03/2021	1.7	No change	NRC/ Board
10/03/2022	1.8	No change	NRC/ Board
19/12/2022	1.9	No change	NRC
06/02/2023	1.9	No change	Board
20/11/2023	2.0	No change	NRC/ Board
20/03/2025	2.1	No change	NRC
26/03/2025	2.1	Minor change	Board
18/04/2025	2.2	Minor changes to align with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	NRC/ Board

1. BACKGROUND

The enactment of the Companies Act, 2013, as amended ("**Act**") had introduced a new concept of evaluation of Board, its Committees and also of the individual directors. Evaluation of Board performance is common in many countries globally.

The provisions of the Act are set to align with the global standards of corporate governance. Briefly, the Act provides for the following:

- Board of directors to conduct a formal annual evaluation of its own performance, that of its committees and individual directors, including independent directors.
- Nomination and Remuneration Committee to carry out evaluation of every director's performance.
- Independent directors to review the performance of Chairman and non-executive directors in a separate meeting.
- Nomination and Remuneration Committee to specify the manner of evaluation of the board of directors, its committees and of individual directors.
- Inclusion of formal annual evaluation made by the board of directors of its own performance and that of its committees and individual directors in its annual report.

Further, Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**LODR Regulations**") requires the independent directors to be evaluated by the entire board of directors excluding the directors who are subject to evaluation. Part D of Schedule II of the LODR Regulations requires the Nomination and Remuneration Committee to formulate criteria for evaluation of performance of independent directors and the board of directors.

In accordance with the foregoing and based on the recommendation of the Nomination and Remuneration Committee ("**NRC**"), the board of directors of Canara HSBC Life Insurance Company Limited ("**Company**"), and the board of directors, the "**Board**") has adopted this Board and Directors' Evaluation Policy ("**Policy**").

2. PURPOSE

The purpose of this Policy is to lay down a framework for evaluation of the Board, its committees and of all the individual directors, including the independent directors.

3. BENEFITS OF BOARD LEVEL EVALUATION

Benefits of institutionalizing an evaluation process for Board, its committees and the directors are fourfold:

- a) *For the Board*
 - Enhances efficiencies in the functioning of the Board
 - Promotes better time management and more efficient meetings
 - Builds trust between the Board members
- b) *For the Directors*
 - Encourages individual director involvement and participation
 - Ensures director's skills are utilized effectively
 - Clarifies legal duties and responsibilities of individual directors
- c) *For the Company*
 - Builds effective Board-Management relationship
 - Helps bring strategic focus
- d) *For other stakeholders*
 - Increase in trust and reputation of the Company
 - Demonstrates commitment to good governance

4. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC):

The NRC shall formulate criteria for evaluation of performance of independent directors and the Board and carry out evaluation of every director's performance.

5. EVALUATION FRAMEWORK AND PROCESS

- Evaluation of the Board is generally conducted in the context of the following four attributes:
 - Skills and knowledge: Does the Board have a right mix of skills, experience and expertise as appropriate for the Company?
 - Process: Does the Board get sufficient time to discharge its duties? Is the Board well aware of its roles and responsibilities?
 - Information: Does the Board receive information in a manner to effectively discharge its duties? Do the Board members receive sufficient information between scheduled meetings?
 - Behaviour: Are the Board members able to participate fully in the decision making process?

This Policy lays down a mix of self and peer evaluation through a rating-based questionnaire, which will address various facets of performance of the Board, its committees and the individual directors. The Directors are expected to fill up the questionnaire as a member of the Board and of a committee and also in the capacity of an individual director. The questionnaire is attached to this Policy as an Annexure.

Basis the response on the questionnaire, submitted by the directors, the results of the evaluation exercise will be shared with the NRC and Board, including listing of the identified strengths, areas of improvement and actions to be taken, if any.

The evaluation process will be completely anonymous and will be undertaken annually. The NRC will be responsible for implementation and compliance with the evaluation process and shall share its recommendations/ comments with the Board.

Independent directors are duty bound to evaluate the performance of non-independent directors, Chairperson of the Company and the Board. The Act empowers the independent directors to hold separate meeting without the presence of other directors to assess the performance of Board. The independent directors are required to review the performance of the Board as a whole in accordance with the requirements of Regulation 25(4) of the LODR Regulations.

Evaluation of independent directors shall be carried on by the entire Board which shall include (a) performance of the directors, and (b) fulfilment of the independence criteria as specified in the LODR Regulations and their independence from the management. The directors who are subject to evaluation shall not be allowed to participate.

6. REVIEW AND AMENDMENTS

The performance evaluation process and related tools will be reviewed by the NRC on need basis, and the NRC may periodically seek independent external advice in relation to the process.

The NRC may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

In case any amendments or clarifications are issued by the relevant regulatory authorities which are not consistent with the provisions laid down under this Policy, then such amendments clarifications, etc. shall prevail and this Policy shall stand amended to that extent. Necessary changes to the Policy will be presented and incorporated in the next meeting of the NRC/ Board.

7. DISCLOSURE

The Company will disclose details of its evaluation processes 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.

Annexure

Questionnaire for evaluation of Board, Committees and Individual Directors

How to fill the questionnaire:

- i. Please rate all questions on a scale from 5 to 1. The rating scale is defined as follows:

5 - Outstanding
4 - Consistently good
3 - Adequate
2 - Needs improvement
1 - Needs significant improvement
- ii. Please provide any additional comments in the space provided and refer to the question number.
- iii. In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity.
- iv. Please answer all questions

Board Evaluation Questionnaire

Q. no.	Operating Framework	1	2	3	4	5
1.	The Board has sufficient time to execute its responsibilities.					
2.	Board proposals and reporting are presented in a manner and format which is comprehensive, timely and easily understood and which facilitates informed and effective decision making.					
3.	The Board has an appropriate mix of skills, experience and expertise in individual members.					
4.	The Board's responsibilities with regards to oversight and governance are clear and well understood.					
5.	The minutes of the meetings adequately reflect the proceedings of the Board and are approved in accordance with set procedures.					
6.	The process of appointment as a director is clear and transparent and considers diversity of thought, experience, knowledge and perspective.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity.

Q. no.	Overall performance	1	2	3	4	5
7.	Board meeting priorities are clear and agenda notes cover crucial topics for discussion.					
8.	The Board environment fosters a candid and open exchange of ideas and opinions among Board members, resulting in effective discussions.					
9.	Every Board member is able to effectively participate in the decision making process of the Board.					
10.	The Board effectively discharges its responsibilities when deciding upon strategic and transactional matters, keeping various stakeholders' interest in mind.					
11.	The Board acts in good faith, with proper due diligence and reasonable care, using ethical standards and values.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity

Q. no.	Exercise of oversight	1	2	3	4	5
12.	There is clear delegation from the Board to its Committees and to the executive management.					
13.	The Board is able to evaluate and challenge the management effectively.					
14.	The Board receives adequate feedback on execution of its decisions and directives.					
15.	There is appropriate open communication between the Board and senior control staff and relevant management persons.					
16.	The Board provides effective inputs for the creation of annual operating plan.					
17.	The Board sets a corporate culture and value based approach which the management is expected to follow.					
18.	The Board focuses on governance and compliance issues and monitors the effectiveness of its governance practices.					
19.	Board monitors and manages potential conflicts of interest.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity.

Q. no.	Support to the Board	1	2	3	4	5
20.	Board members receive sufficient information at the time of induction and on an on-going basis.					
21.	The Board makes effective use of outside advisers, if and when required.					
22.	The Board has sufficient contact with the management team and receives relevant information between the scheduled Board meetings.					
23.	The Board receives timely information in advance of the meetings.					
24.	The information presented to the Board identifies the appropriate issues, risks, market trends and dynamics in which the Company operates and are fully understood by the Board.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity.

Committee Evaluation Questionnaire

How to fill the questionnaire:

- i. Please fill the questionnaire if you are a member of a Board level Committee
- ii. Please rate all questions on a scale from 1 to 5. The rating scale is defined as follows:
 - 1 - Needs significant improvement
 - 2 - Needs improvement
 - 3 - Adequate
 - 4 - Consistently good
 - 5 - Outstanding
- iii. Please note any additional comments in the spaces provided and refer to the question no. for which additional comments are provided.
- iv. Please answer all questions, as applicable.

Name of the Committees in which member: _____

Generic Questions

Q. no.	Operating Framework	1	2	3	4	5
1.	The Committees have sufficient time to execute their responsibilities.					
2.	Proposals are presented in a manner and format which is comprehensive, timely and easily understood and which facilitates informed and effective decision making.					
3.	The mandate, composition and working procedures of Committees is clearly defined and understood					
4.	The minutes of the meetings adequately reflect the proceedings of the Committees and are approved in accordance with the set procedures.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity.

Q. no.	Overall performance	1	2	3	4	5
5.	Committee meeting priorities are clear, and agenda notes cover crucial topics for discussion.					
6.	The Committees effectively discharge responsibilities and make appropriate recommendations to the Board.					
7.	There is effective reporting of key matters to the Board.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity.

Committee specific questions:

(Please mention 'NA' in case you are not a member of a particular Committee.)

Q. no.	Audit Committee	1	2	3	4	5
1.	The members are well aware about the Terms of Reference of the Audit Committee and effectively discharge their duties as members of the Audit Committee.					
2.	The Audit Committee members have access to and hold discussions with the statutory auditors.					
3.	The members have access to and hold discussions with key control function heads (internal auditor, Chief Compliance Officer etc.).					
4.	The members effectively review the internal financial controls of the Company and the risk management systems.					
5.	The members get sufficient time to review the financial performance of the Company and the Chief Financial Officer provides adequate information for the discussions.					
6.	The Audit Committee acts as a Compliance Committee to discuss the level of compliance in the Company.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity

Q. no.	Risk Management Committee	1	2	3	4	5
1.	The members are well aware about the Terms of Reference of the Risk Management Committee ("RMC") and effectively discharge their duties as members of the RMC.					
2.	The RMC members have effective oversight on the risk management framework of the Company and review the Company's risk and reward objectives in line with all stakeholders' expectations.					

3.	The RMC regularly reviews the asset liabilities management framework and the solvency position of the Company.					
4.	The RMC members have access to and hold discussions with the Chief Risk Officer and the Appointed Actuary.					
5.	The members provide their comments and suggestions on the product suite of the Company.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity.

Q. no.	Investment Committee	1	2	3	4	5
1.	The members are well aware about the Terms of Reference of the Investment Committee and effectively discharge their duties as members of the Committee.					
2.	The members have effective oversight on the Investment Policy of the Company and regularly monitor its implementation.					
3.	The members regularly review the fund performance in line with the established benchmarks and industry performance.					
4.	The Chief Investment Officer keeps the members updated on the investment strategy.					
5.	The members review and approve the investment mandates to be followed by the management for investment activities.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity

Q. no.	Corporate Social Responsibility Committee	1	2	3	4	5
1.	The members are well aware about the Terms of Reference of the Corporate Social Responsibility Committee and effectively discharge their duties as members of the Committee.					
2.	The members recommend an effective Corporate Social Responsibility (" CSR ") Policy to the Board.					
3.	The members have put in place an effective and transparent framework for monitoring of various CSR projects.					
4.	The members are regularly updated on the status update of various CSR projects.					
5.	The members have oversight over the implementation of the CSR Policy.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity.

Q. no.	<i>Policyholder Protection, Grievance Redressal and Claims Monitoring Committee</i>	1	2	3	4	5
1.	The members are well aware about the Terms of Reference of the Policyholder Protection, Grievance Redressal and Claims Monitoring Committee and effectively discharge their duties as members of the Committee.					
2.	The members provide sufficient oversight over the complaints redressal framework in the interest of the policyholders.					
3.	The members are regularly updated with the initiatives taken for policyholder interest and their progress update.					
4.	The members receive adequate information for oversight over the unclaimed policyholder amounts.					
5.	The members regularly discuss and approve policies for policyholder interest.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity

Q. no.	<i>Nomination and Remuneration Committee</i>	1	2	3	4	5
1.	The members are well aware about the Terms of Reference of the Nomination & Remuneration Committee and effectively discharge their duties as members of the Committee.					
2.	The members identify and recommend to the Board, persons who may be appointed as directors, KMPs and to other senior management positions, keeping in mind the specific requirements of the role to be filled-in.					
3.	The members approve and review HR related policies and procedures including on talent management, performance management, etc.					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity

Q. no.	<i>Stakeholders' Relationship Committee</i>	1	2	3	4	5
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1.	The members are well aware about the Terms of Reference of the Stakeholders' Relationship Committee and effectively discharge their duties as members of the Committee.					
2.	The members provide sufficient oversight for resolving the grievances of the security holders of the Company					
3.	The members regularly review procedures to ensure speedy disposal of various requests received from shareholders from time to time.					

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity

Individual Directors' including Chairman's Evaluation Questionnaire

- i. Please fill the questions in this section for evaluation of individual director performance, including independent directors.
- ii. Please rate all questions on a scale from 1 to 5. The rating scale is defined as follows:
1 - Needs significant improvement
2 - Needs improvement
3 - Adequate
4 - Consistently good
5 - Outstanding
- iii. Please note any additional comments in the spaces provided and refer to the question no. for which additional comments are provided.
- iv. Please answer all questions, as applicable.

Q. no.		1	2	3	4	5
1.	All individual directors, including independent directors meet the competencies as identified for effective functioning of the company and the Board.					
2.	All individual directors, including independent directors come prepared for the Board and Committee meetings.					
3.	All individual directors, including independent directors possess sufficient understanding and knowledge of the company and the sector in which it operates.					
4.	All individual directors, including independent directors effectively participate in the Board and Committee meetings.					
5.	The various individual directors possess sufficient skills and knowledge to discharge their duties as directors on the Board and members of Committees.					
6.	All individual directors, including independent directors are generally available for meetings of the Board and attend the meetings regularly and timely, without delay					

Additional comments:

In case a question is scored less than 4, please remember to add a specific comment on why the question scores low and the improvement opportunity