

GUIDELINE FOR BOARD EVALUATION CRITERIA

Background:

As provided in the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission through its notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018, every company listed with any stock exchange in Bangladesh shall have to have Board Evaluation Criteria; and Nomination and Remuneration Committee (NRC) shall assist the Board of Directors in formulation of such criteria. Accordingly, based on the recommendation of NRC, the Board of Directors of Doreen Power Generations and Systems Ltd. has adopted this Guideline for Board Evaluation Criteria.

Definitions:

"Act" means the Companies Act, 1994 as amended from time to time.

"Code" means the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission through its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 as amended from time to time.

"Company" means Doreen Power Generations and Systems Ltd.

"Board" means Board of Directors of the Company.

"Chairman/Chairperson" means the Chairman/Chairperson of the Board of Directors of the Company.

"Independent Director" means the Independent Directors of the Company.

"Employee" means employee of the Company.

"Listing Regulations" means DSE and CSE Listing Regulations 2015 as amended from time to time.

"NRC" means Nomination and Remuneration Committee of Board of Directors of the Company.

Objective:

This criteria aims :

- (i) to ensure compliance with applicable provisions of the Code relating to formulating the criteria for evaluation of performance of independent directors and the Board;
- (ii) to adopt best practices to manage the affairs of the Company in seamless manner; and
- (iii) to achieve good corporate governance as well as sustained long-term value creation for stakeholders.

Evaluation Factors:

NRC is responsible for monitoring the effectiveness of the Board. In terms of the requirements of the Code, the Board shall cause to carry out an annual evaluation of its over-all performance relating to monitoring of internal controls, financial reporting and preparation of external financial statements and safeguarding of assets. NRC shall recommend and review from time to time the criteria for evaluation of performance of the entire Board, the Directors and the CEO.

Evaluations shall be led by the Chair of the Board and assisted by the Company Secretary. While evaluating the performance, it has to be always considered the appropriate benchmarks as per industry standards and the performance of the Company.

Rating Scale:

Particulars	*Rating
Strongly Agree	4
Agree	3
Disagree	2
Strongly Disagree	1

* If the decimal number of any average rating is more than half it shall be rounded to the nearest whole number.

The evaluation framework shall be adopted by NRC and approved by the Board of Directors. NRC shall oversee and make report with recommendation to the Board in evaluating performance of all Directors as well as the Board as a whole towards achieving the strategic goals of the organization with a view to identifying areas of governance improvement.

The Company has chosen the following criteria for evaluation of performance of Independent Director and the Board:

Sl. No.	Assessment Criteria	Rating	Remarks/ Comments
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	Is the Board as a whole up to date with latest developments in the regulatory environment and the market?		
4	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.		
5	The Board of Directors is effective in providing necessary advice and suggestions to the Company's management.		
6	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
7	The information provided to Directors prior to Board Meetings meets expectations in terms of level of details.		
8	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		
9	The Board Chairman/Chairperson 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, recommendations, management's responses, steps towards improvement and risk mitigation plan.		
11	The Board reviews the company's financial performance on a regular basis.		
12	The Board considers the Internal Audit plan and provides recommendation.		
Additional Criteria for Independent Directors			
1	Attendance and participations in the meetings		
2	Raising of concerns to the Board		
3	Initiative in terms of new ideas and planning for the Company		
4	Rendering independent, unbiased opinion and resolution of issues at meetings		
5	Safeguard of confidential information		
6	Safeguarding interest of whistle-blowers under vigil mechanism		

Amendment and Disclosures:

Subject to the approval of the Board, NRC reserves its right to review and recommend for amending this Guideline, as and when required, to ascertain its appropriateness as per the needs of the Company.

A summary of this Guideline will be included annually in the Annual Report. This Guideline will also be available on the company's website.