

## **BOARD EVALUATION POLICY**

### **PREAMBLE**

Honesty, integrity and sound judgment and performance of the Directors and the Senior Management are key criteria for the success and for building a good reputation of the Company.

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. The Board believes the evaluation will lead greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body. This Policy has been framed in compliance with the provisions of Section 178 (2), 134(3)(p) and other applicable provisions, if any, the Companies Act, 2013, by the Nomination and Remuneration Committee (NRC) and approved by the Board.

Each director and executive in the Senior Management is expected to comply with the letter and spirit of this Policy.

The Policy shall be effective from the listing of the equity shares of the Company on stock exchanges.

### **OBJECTIVE**

The Object of this policy are –

- To formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.
- To ensure commitment to performance management;
- To review challenges in the dynamics of the Board or among the Board and management;
- To enhance good corporate governance;
- To develop appropriate skills, competencies and motivation on the Board.

Accordingly, the Policy provides guidance on evaluation of the performance, on an annual basis, of: (i) individual Directors (including the Chairman and independent directors of the Company ("**Independent Directors**")); (ii) the Board as a whole; and (iii) various committees of the Board ("**Board Committees**").

### **PERFORMANCE EVALUATION AND THE CRITERIA OF EVALUATION**

#### **i) EVALUATION OF BOARD:**

The Board shall carry out the annual evaluation process of its own performance as envisaged in the Companies Act, 2013 and the individual Directors (excluding the Director being evaluated). The criteria to evaluate encompasses three broad factors namely i) contribution ii) counselling and iii) controlling

The Board performance evaluation shall:

- Review the role 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 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.

**ii) CHAIRMAN**

The performance of the Chairman be evaluated, amongst other things, on the basis of leadership qualities, strategic thinking, decision making, business acumen, contribution to resolution of divergent views, time commitment, interaction with management, relationships, and communications with the Stakeholders.

**iii) MANAGING DIRECTOR AND EXECUTIVE DIRECTORS/WHOLE TIME DIRECTOR**

The performance of Managing Director/Executive Director/Whole Time Director shall be first reviewed by the Chairman 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 Chairman, if the need arises;
- Contribution to strategic plans;
- Decision making abilities, relationship with stakeholders.

**iv) NON-EXECUTIVE DIRECTORS**

The performance of Non-Executive Director be evaluated, amongst other things, on the basis of strategic thinking, 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.

**v) INDEPENDENT DIRECTORS**

The performance evaluation of Independent Director's 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 improvement.
- Active participation in strategic planning.
- Commitment to the fulfilment 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.
- Maintaining confidentiality of information provided unless such disclosure is expressly required by law.

**vi) 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.

**POLICY REVIEW**

This Policy is framed based on the provisions of the Companies Act, 2013 and rules there under and the requirements of Listing Regulations.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

**DISCLOSURE**

The Policy shall be uploaded on the Company's website for public information and a web link for the same shall also be provided in the Annual Report of the Company.

The Board will review this program and make revisions as may be required on a timely basis which shall be uploaded on the website such revisions in due course.

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. Further, the Board's report containing such statement will be made available for the review of shareholders at the general meeting of the Company. The key features of this Policy will be included in the corporate governance statement contained in the annual report of the Company.