Promising Excellence

POLICY ON PERFORMANCE EVALUATION OF DIRECTORS

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The Board performs three major roles in a company – it provides direction (i.e. sets the strategic direction of the company), it controls (i.e. monitors the management) and provides support and advice (advisory role). Board evaluation typically examines these roles of the Board and the entailing responsibilities, and assesses how effectively these are fulfilled by the Board. The effectiveness of the Board depends on a variety of factors, some of which are Board Structure, Dynamics and functioning of the Board, Business strategy governance, monitoring role etc.

This policy includes performance evaluation of: -

a) Performance evaluation of Non-Executive Independent Directors.
b) Performance evaluation of Non independent and Executive Directors
c) Performance evaluation of Board of directors as a whole.
d) Performance evaluation of Committees of Board of directors

The Policy aims to:

(i) Ensure compliance of the applicable provisions of the Companies Act, 2013 („the Act") and the Listing Regulation entered into with the Stock Exchanges (as amended or re-enacted from time to time) relating to the evaluation of performance of the Directors and the Board.
(ii) adopt best practices to manage the affairs of the Company in seamless manner.
(iii) achieve good corporate governance as well as sustained long-term value creation for stakeholders.

Evaluation

Performance Evaluations are an integral part of the Company's ongoing effort to encourage Independent Director to higher levels of achievements. Company selects the independent director who has sufficient qualification and experience in the respective area of their specialisation. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

The Nomination and Remuneration Committee („NRC") shall carry out the evaluation of performance of every Director. The evaluation of performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated in the same way as it is for the Executive Directors of the Company except the Director getting evaluated.

Evaluation performance should be carried out at least once in a year. Performance Evaluations will be conducted within the context of a set of individualized performance goals and an individual professional development plan, which are periodically reviewed on the basis of following criteria:

1. Interest taken by the member in the affairs of the Company.

2. Regularity of attending Board and Committee meetings of the Company.

3. Participation in the discussion on any business at the time of meeting and their preparedness.

4. Additional qualification acquired by them.

While evaluating the performance of the Chairman and Managing Director, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company

RATING SCALE

Performance	Rating
Satisfactory	1
Not Satisfactory	0

Performance Evaluation of Independent Directors

Sr. No	Assessment criteria	Rating	Remarks/ Comments
1	Attendance and participations in the meetings		
2	Raising of concerns to the Board		
3	Safeguard of confidential information		
4	Rendering independent, unbiased opinion and resolution of issues at meetings		
5	Initiative in terms of new ideas and planning for the Company		
6	Safeguarding interest of whistle-blowers under vigil mechanism		
7	Timely inputs on the minutes of the meetings of the Board and Committee‟s, if any		

NON – INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS:

Sr. No	Assessment criteria	Rating	Remarks/ Comments
1	Leadership initiative		
2	Initiative in terms of new ideas and planning for the Company		
3	Professional skills, problem solving, and decision-making		
4	Compliance with policies of the Company, ethics, code of conduct, etc.		
5	Reporting of frauds, violation etc		
6	Safeguarding of interest of whistle blowers under vigil mechanism		
7	Timely inputs on the minutes of the meetings of the Board and Committee, if any		

Performance Evaluation of Board of Directors as whole:

Sr. No	Assessment criteria	Rating	Remarks/ Commen
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	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
4	The Board reviews the organization's performance in carrying out the stated mission on a regular basis.		
5	The Board of Directors is effective in providing necessary advice and suggestions to the Company‟s management.		
6	Is the Board as a whole up to date with latest developments in the regulatory environment and the market?		
7	The information provided to Directors prior to Board Meetings meets your expectations in terms of length and level of detail.		
8	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues		
9	The Board Chairman 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, management's responses, and steps towards improvement.		
11	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.		
12	The Board considers the Independent Audit plan and provides recommendations.		

PERFORMANCE EVALUATION OF COMMITTEES OF BOARD OF DIRECTORS:

Sr. No	**Audit Committee (for Audit Committee Members Only)**	**Rating**	**Remarks/ Comments**
1	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
2.	Timely inputs on the Minutes of the Meetings		

Sr. No	**Nomination and Remuneration committee (for Nomination and Remuneration Committee Members Only)**	**Rating**	**Remarks/ Comments**
1.	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
2.	Timely inputs on the Minutes of the Meetings		

Sr. No	**Stakeholders Relationship committee (for Stakeholders Relationship Committee Members Only)**	**Rating**	**Remarks/ Comments**
1	Committee Meetings are conducted in a mann that encourages open communication, meaningf participation and timely resolution of issues		
2.	Timely inputs on the Minutes of the Meetings		

Sr. No	Corporate Social Responsibility Committee (for CSR Committee Members Only)	Rating	Remarks/ Comments
1	Committee Meetings are conducted in a mann that encourages open communication, meaningf participation and timely resolution of issues		
2.	Timely inputs on the Minutes of the Meetings		

Review: -

The Nomination and Remuneration Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution in a meeting of the Committee.

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