

POLICY FOR EVALUATION OF PERFORMANCE OF BOARD OF DIRECTORS

EFFECTIVE DATE: The Policy shall come into effect on: **January 7, 2026**

INTRODUCTION:

The Companies Act, 2013 mandates formal annual evaluation of the Board, its Committees and individual Directors under section 134 of the Companies Act, 2013 (read with Sub-rule (4) of Rule 8 of the Companies (Accounts) Rules, 2014) for every listed company and every other public company having a paid up share capital of twenty five crore rupees or more calculated at the end of the preceding financial year shall include, in the report by its Board of directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

As per the requirement of section 134 of the Companies Act 2013, all such Companies should include in the report by its Board of Directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.

This Policy has been formulated in compliance of the requirement of Companies Act 2013. This policy aims at establishing a procedure for conducting periodical evaluation of Directors' performance and formulating the criteria for determining qualification, positive attribute and independence of each and every Director of the company in order to effectively determine issues relating to remuneration of every Director and key managerial personnel of the company. This policy further aims at ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties.

In addition, the Nomination and Remuneration Committee shall carry out the evaluation of performance of every Director and key managerial personnel in accordance with the criteria laid down.

OBJECTIVE:

The object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

RESPONSIBILITY:

- **Responsibility of the Board**

It shall be the duty of the Chairperson of the Board, who shall be supported by a Company Secretary, to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the Directors' and Committees' effectiveness, to maximize their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis:

- The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.
- Review performance evaluation reports of various Committees along with their suggestions on improving the effectiveness of the Committee and also the requirement of reconstitution and/or re-composition of various committees. Ensure that adequate disclosure is made with regard to performance evaluation in the Board's Report.

- **Responsibility of the Nomination & Remuneration Committee**

It shall evaluate the performance of individual Directors of the Company as per its terms of reference framed in accordance with the provisions of section 178 of the Companies Act, 2013.

The evaluation of individual Directors including Independent Directors shall be done by the Board as a whole keeping in view the inputs provided by Nomination & Remuneration Committee.

- **Responsibility of Independent Directors**

Independent Directors are duty bound to evaluate the performance of non-independent directors and Board as a whole. The Independent Directors of the Company shall hold at least one meeting in a year to review:

- Performance of Non-Independent Directors
- Performance of the Chairperson of the Company
- Performance of the Board as a whole

The independent directors at their separate meetings shall:

- Review the performance of non-independent directors and the Board as a whole
- Review the performance of the Chairperson
- Assess the quality, quantity and timeliness of flow of information between the management and the Board

Evaluation of Independent Director shall be carried out by the entire Board except the Director being evaluated.

EVALUATION PROCESS

Based on the criteria, rating sheets will be filled by each of the Directors towards the end of the year for evaluation of the performance of the Board, its Committees and Directors (except for the Director being evaluated).

A consolidated summary of the ratings given by each of the Directors will be prepared, based on which a report of performance evaluation will be prepared by the Chairperson with the help of Company Secretary, in respect of the performance of the Board, its Committees and Directors during the year under review.

The report of performance evaluation so arrived at will be noted and discussed by the Nomination and Remuneration Committee and Board of Directors of the Company. Reporting to the Board by NRC shall be a consolidated reporting and after the due-deliberation at NRC level and will incorporate comments/ feedback/ observations if any from NRC pertaining to the process and also the sanctity of the evaluation exercise. The Chairperson of the Company shall be present in the said NRC meeting as a special invitee in case she/he is not the member of NRC.

As per the report of performance evaluation, the Board shall determine on continuing the term of appointment of the Independent Director.

POLICY REVIEW

This Policy will be reviewed by the Nomination & Remuneration Committee annually and changes, if any will be placed before the Board.

Subject to the approval of Board of Directors, 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 by passing a resolution at a meeting of the Nomination and Remuneration Committee.

DISCLOSURE

In accordance with the requirement under the Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various committees of directors and individual Directors' performance will be made by the Board of Directors in the Board's Report. Further, the Board's Report containing such statement will be made available for the review of shareholders at the Annual General meeting of the Company.

DISCLOSURE IN THE BOARD'S REPORT

The following paragraph will be reflected in the Director's Report annually. As of now, basis this evaluation exercise, there is no further disclosure required in the Directors' Report aside from the paragraph depicted below:

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 approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013. 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.

CONFIDENTIALITY

The rating Sheets for evaluation of Individual Directors shall be kept in the custody of the Chairperson of the Company. The Company shall ensure to keep the individual director's rating sheets strictly confidential.

Performance Evaluation Criteria for Board, Committees of Board and Directors

To carry out performance evaluation of Board, Committees and Directors, criteria to be considered are as follows (This has been derived from the guidelines on Board Evaluation issued by ICSI (Institute of Company Secretaries of India)).

Part A: BOARD OF DIRECTORS EVALUATION

(By all the Directors)

Assessment Criteria	Rating	Remarks / Comments
1. The Board of Directors of the company is effective in decision making.		
2. Board meetings are conducted in a manner that encourage open communication and meaningful participation.		
3. Directors understand governance, regulatory, financial, fiduciary and ethical requirements of the Board and discharge his/her functions accordingly.		
4. Directors uphold ethical standards of integrity and probity.		
5. Working in the interests of all the stakeholders of the Company.		
6. Adequacy of attendance and participation by the Board members at the Board meetings and willingness to devote time and effort to understand the Company and its business and a readiness to participate in events outside the meeting room, such as site visits?		
7. The Board of Directors is effective in providing necessary advice and suggestions to the company's management.		
8. The composition of the Board is appropriate with requisite number of Independent Directors, with the right mix of knowledge and skills to maximize performance of the Company.		
9. Formal process exists whereby notice for the Board meeting & Agenda papers are circulated to Board members.		

10. The Board has the proper number of committees as required by legislation and guidelines, with well-defined terms of reference and reporting requirements. Comments of Committees are placed before Board and are helpful in effective decision making by the Board.		
11. A proper system of recording of the minutes exists for proceeding of the Board and its confirmation by the Board.		
12. There exists a system whereby Board's direction/feedback are communicated to the Management and formal report on Action taken on the decisions are communicated by the Management to the Board.		
13. The Board oversees the role of the auditor from selection to termination and has an effective process to evaluate the auditor's qualifications and performance.		
14. The facility for video conferencing for conducting meetings is robust.		
15. Board and are helpful in effective decision making by the Board.		

Rating Scale	
5	Strongly Agree
4	Fairly Agree
3	Agree
2	Disagree
1	Strongly Disagree

Part B: EVALUATION OF BOARD COMMITTEES

(By Board of Directors)

Assessment Criteria	Rating	Marks / Comments
1. The terms of reference for the committee are appropriate with clear defined roles and responsibilities and that Committee regularly reviews its mandate and performance.		
2. The Committee of the Board are appropriately constituted. The composition of the committee is in compliance with the legal requirement and the frequency of the Committee meetings is adequate.		
3. Committee meetings are conducted in a manner that ensures timely resolution of issues and encourages open communication as well as meaningful participation.		
4. The amount of responsibility delegated by the Board to each of the committees is appropriate.		
5. Committee takes effective and proactive measures to perform its functions.		
6. A proper system of recording of the minutes exists for proceeding of the Committee and its confirmation by the Committee. The reporting by each of the Committees to the Board is sufficient.		

Rating Scale	
5	Strongly Agree
4	Fairly Agree
3	Agree
2	Disagree
1	Strongly Disagree

Part C: MANAGING DIRECTOR / EXECUTIVE DIRECTOR ASSESSMENT FORM

(By Board of Directors)

Assessment Criteria	Rating	Marks / Comments
1. The MD/ED has accurately communicated concept, vision, mission, strategies, goals, and directions for the Company to stakeholders.		
2. The MD/ED has possessed a good understanding of the company's financial measures relevant to its business and financial situation and monitoring budget of the organization.		
3. The MD/ED 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 and has built strong working relationships with Board members and has worked closely.		
4. The MD/ED has assured that the Company maintains positive relationships in the community and cultivates good working relationships with community groups and organizations.		
5. The MD/ED effectively monitors procedures and practices pertaining to human resources, including appraisal process and rewarding systems for management and employees and has ensured that the company has good internal communication.		
6. The MD/ED 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.		
7. The MD/ED has demonstrated a thorough knowledge and understanding about key aspects of the Company's products and services and has regularly demonstrated creativity and initiative in creating new products and services.		
8. The MD/ED has established an effective organization structure, ensuring that there is management focus on key functions necessary for the organization to align with its mission.		

9. The MD / ED has developed clear mission statements, policies, and strategic plans that harmoniously balance the needs of shareholders, clients, employees, and other stakeholders.

Rating Scale	
5	Strongly Agree
4	Fairly Agree
3	Agree
2	Disagree
1	Strongly Disagree

Part D: DIRECTOR SELF ASSESSMENT / PEER REVIEW

Assessment Criteria	Rating	Marks / Comments
1. Understands the vision and mission of the company, strategic plan and key issues.		
2. Attendance and participation. Pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition.		
3. Maintaining confidentiality and acting in good faith and in the interest of the Company as a whole.		
4. Acting in good faith and in the interests of the company as a whole.		
5. Understands duties, responsibilities, qualifications, disqualifications and liabilities as a director.		
6. Complying with legislations and regulations in letter and spirit and ensures timely resolution of issues with due diligence and reasonable care.		
7. Maintaining relationships of mutual trust and respect with Board members.		
8. Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.		
9. Staying abreast of issues, trends and risks including opportunities and competitive factors affecting the company, and using this information to assess and guide the company's performance proactively.		
10. Prepares in advance for board and committee meetings.		

Rating Scale	
5	Strongly Agree
4	Fairly Agree
3	Agree
2	Disagree
1	Strongly Disagree

Part E: INDEPENDENT DIRECTOR EVALUATION FORM
(PEER REVIEW – by Directors other than Independent Directors)

Assessment Criteria	Rating	Marks / Comments
1. Director comes well prepared and informed for the Board / Committee meeting(s).		
2. Director demonstrates a willingness to devote time and effort to understand the Company and its business and a readiness to participate in events outside the meeting room, such as site visits.		
3. Director has ability to remain focused at a governance level in Board / Committee meetings and maintain utmost confidentiality.		
4. Attendance and participation and ensures timely resolution of issues.		
5. Director's contributions at Board / Committee meetings are of high quality and innovative.		
6. Director proactively contributes into development of strategy and to risk management of the Company and understands governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee.		
7. Director upholds ethical standards of integrity and probity.		
8. Director exercises objective independent judgment in the best interest of the Company.		
9. Director has effectively assisted the Company in implementing best corporate governance practices and then monitors the same.		
10. Director helps in bringing independent judgment during Board deliberations on strategy, performance, risk management etc.		
11. Director adheres to the applicable code of conduct for independent directors		

Rating Scale	
5	Strongly Agree
4	Fairly Agree
3	Agree
2	Disagree
1	Strongly Disagree