

Policy for effective evaluation of performance of Board, its committees and Individual directors of the Company

[As per Sec. 178(2) of the Companies Act 2013 and rules framed thereunder]

1. Introduction

As one of the most important functions of the Board of Directors is to oversee the functioning of company's performance through its top management, this policy aims to establish a procedure for conducting periodical evaluation of directors' performance and formulating 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, key managerial personnel and other employees of the company. This policy further aims to 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 specify the manner for effective evaluation of performance of the Board, its committees and individual directors.

2. 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 Directors of the company.

3. Responsibility

A] Responsibility of the Board:

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

The Board of Directors shall-

- 1) Review performance evaluation reports of various committees alongwith their suggestions on improving the effectiveness of the committee;

- 2) Ensure that adequate disclosures are made with regard to performance evaluation in the Boards' report;
- 3) Evaluate performance of independent directors of the company.

B] Responsibility of the Nomination & Remuneration Committee:

It evaluates the performance of individual directors of the Company as per its terms of reference and the Nomination and Remuneration Policy of the company framed in accordance with the provisions of Section 178 of the Companies Act, 2013.

C] Responsibility of the 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 hold at least one meeting in a financial year to review the performance of non-independent directors, chairperson of the company and Board as a whole, taking into account the views of non-independent directors.

The independent directors at their separate meetings shall:

- a. Review the performance of non-independent directors and the Board as a whole;
- b. Review the performance of the Chairperson of the company, taking into account the views of non-independent directors;
- c. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

4. Policy Review

Subject to the approval of Board of Directors, Nomination & 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 & Remuneration Committee.

5. Disclosures

In accordance with the requirement under the Companies Act, 2013, disclosures regarding the manner in which the performance evaluation is done by the Board of Directors of its own performance, performance of various Committees of the directors and individual director's performance is made by the Board of Directors in the Board's Report.