

Performance evaluation of the Board, Committees and Directors

It is important that the Board, Board Committees, and Individual Directors are evaluated on the effectiveness of their performance in a rigorous and structured manner to ensure that their contribution is reflected in the growth of the Company whilst adhering to highest corporate governance standards. The Companies Act, 2013 (the Act) also provides for the evaluation of the Board, its Committees and Individual Directors. The Act requires disclosure in the Board's Report of the manner in which a formal annual evaluation has been made by the Board of its own performance and that of its Committee and Individual Directors. The Act has tasked the Nomination and Remuneration Committee of the Board with evaluation of each Director. The provisions of Section 178 relating to Nomination and Remuneration Committee is not applicable to the Company. However, presently the company doesn't have any Board level committee accordingly the performance evaluation process will be conducted by the Board till such time the committees are constituted.

The evaluations for the Directors, the Board, Chairman of the Board and the Committees is carried out through posting of various different questionnaires on an online website, which is capable of generating survey results on a confidential basis, for the Directors (Non-Independent Directors, Independent Directors eligible for re-appointment, for the Board as a whole, for the Chairperson of the Board, and the Committees respectively.

- (i) The performance of the Board is assessed on select parameters related to roles, responsibilities and obligations of the Board, relevance of Board discussions, attention to strategic issues, performance on key areas, providing feedback to executive management and assessing 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.
- (ii) The evaluation criteria for the Directors is based on their participation, contribution and offering guidance to and understanding of the areas which were relevant to them in their capacity as members of the Board. Based on the report of the performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Directors.
- (iii) The evaluation criteria for the Chairperson of the Board besides the general criteria adopted for assessment of all Directors, focuses incrementally on leadership abilities, effective management of meetings and preservation of interest of stakeholders.

(iv) The evaluation of the Committees is based on assessment of the clarity with which the mandate of the Committee is defined, effective discharge of terms and reference of the Committees and assessment of effectiveness of contribution of the Committee's deliberation/recommendations to the functioning/decisions of the Board.

The evaluations will be carried out on an annual basis. All evaluations shall be designed to be completed before the meeting of Board, to discuss remuneration packages and the nominations of candidates for election as Directors of the Company at the Annual General Meetings in the following year, are held.

The annual report of the Company shall include a report on evaluation carried out and shall also describe the process followed for evaluation.