

Guidelines for Evaluation of the Board and Committees

The provisions of the Companies Act, 2013 (“Act”), the Rules there upon and the Listing Agreement with the Stock Exchanges (collectively referred to as ‘Corporate Governance’) mandated the evaluation of the performance of the Chairman of the Board, individual directors and also the Board, as a whole.

The Nomination and Remuneration Committee (“NRC”) is required to evaluate the performance of each director as per the provisions of Sec 178(2) of the Act. Further, the Code for Independent Directors (“Code”) provided the guidelines for the independent directors including a separate meeting of independent directors. The role and functions of independent directors and meeting of the independent directors is required, inter alia, to

- *determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management*
- *review the performance of non-independent directors and the Board as a whole;*
- *review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors*
- *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.*

In view of Corporate Governance requirements, the Evaluation Criteria for the Board and its Committees; the directors and the Chairman of the Board is as under:

a. Evaluation criteria of Board and its Committees

The Board shall conduct a self-evaluation on an annual basis, during the third quarter meeting, to determine whether the Board and its committees are functioning effectively. The Nomination and Remuneration Committee (“NRC”) shall oversee the self-evaluation process and shall review the evaluation structure prior to the meeting of the Board and its committees.

Each Board Committee shall review and reassess the adequacy of its terms of reference annually and recommend any proposed changes to the Board of Directors for approval. Further, each Committee shall annually review its own performance and report the results to the Board. The NRC shall oversee and report annually to the Board its assessment of each Committee’s performance evaluation process.

- i. frequency of meetings
- ii. length of meetings
- iii. administration of meeting

- iv. number of committees and their roles
- v. follow of information to board members and between board members
- vi. quality and quantity of information
- vii. selection and retirement of directors
- viii. performance of individual director
 - personal relationship
 - the collective performance of the board / committee as a team
 - individual performance and contribution

b. Evaluation criteria for directors

The NRC shall receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. The assessment will be discussed with the entire Board each year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

Also, the NRC shall utilize the results of this evaluation process to determine whether the individuals sitting on the Board bring the skills and expertise appropriate for the Company and how they work as a group. The qualifications and performance of all Board members would be considered in connection with re-nomination.

The indicative criteria for assessment of directors, is as under:

- Attendance at Board Meetings
- Attendance at Committee Meetings
- Member of the Board Committees
- Chairmanship of Board Committees
- Guidance and support provided to senior management of the Company at outside the Board meetings
- Contribution to the discussions at board meetings

The directors will be evaluated by their peers in a confidential process, with the feedback collected and disseminated to the individual directors.

c. Evaluation criteria for Chairman of the Board

- Demonstration of effective leadership of the board
- Management of relationships and communications with shareholders
- Constructive communication within the board and relationship with other directors
- Effective process of setting the agenda for board meetings.
- Providing opportunity to board members to raise issues and concerns