

## **KANCHI KARPOORAM LIMITED**

### **POLICY FOR FORMAL ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

#### **Introduction**

The Board acknowledges its intention to establish and follow “best practices” in Board governance in order to fulfil its fiduciary obligation to the Company. Fundamental to sound governance is the practice of undertaking a Board evaluation on an annual basis.

#### **Objectives of evaluation**

The objective to undertake evaluation of Board and individual directors are as under:

- To ensure commitment to performance management;
- To review challenges in the dynamics of the Board or among the Board and management;
- To enhance good corporate governance;
- To develop appropriate skills, competencies and motivation on the Board.

#### **Process for evaluation**

The process will be initiated each year by the Chairman of the Board. At the Board’s discretion, a person designated by the Board, with staff assistance, will co-ordinate the Board self-evaluation or an external consultant may be appointed to assist with this process.

The evaluation form will consist of four parts:

**Annexure 1** - Performance evaluation of Independent Director

**Annexure 2** - Performance evaluation of Managing Director/Non-Independent Director/Executive Director by Independent Directors

**Annexure 3**- Performance evaluation of the entire Board

**Annexure 4** - Evaluating the performance of Committee

## Questionnaire for performance evaluation

### Annexure 1

Rating Scale	
Performance	Rating
Satisfactory	1
Not Satisfactory	0

**Process :** Questions that should be considered in a performance evaluation of Independent Director, in which the concerned Director being evaluated shall not be included, are set out below.

**Name of Director being assessed :**

S. 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		

**Annexure 2**

<b>Rating Scale</b>	
<b>Performance</b>	<b>Rating</b>
Satisfactory	1
Not Satisfactory	0

**Process** : Questions that should be considered in a performance evaluation of Managing Director/Non-Independent Director/Executive Director by Independent Directors, in which the concerned director being evaluated shall not be included, are set out below.

**Name of Director being assessed:**

<b>S. No.</b>	<b>Assessment Criteria</b>	<b>Rating</b>	<b>Remarks/ Comments</b>
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		

***Annexure 3***

Rating Scale	
Performance	Rating
Satisfactory	1
Not Satisfactory	0

**Process :** Questions that should be considered in a performance evaluation of the entire Board by Independent Directors, are set out below.

S. No.	Assessment Criteria	Rating	Remarks/ Comments
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 Auditor"s qualifications and performance. Independent		
12.	The Board considers the Independent Audit plan and provides recommendations.		

#### **Annexure 4**

<b>Rating Scale</b>	
<b>Performance</b>	<b>Rating</b>
Satisfactory	1
Not Satisfactory	0

**Process :** For evaluating the performance of Committee, the Board of Directors shall pay regards to the following aspects .

<b>S. No</b>	<b>Committee</b>	<b>Rating</b>	<b>Remarks/ Comments</b>
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		

#### **REVIEW OF POLICY**

The Board 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 Board of Directors.