

“PERFORMANCE EVALUATION POLICY”
BHARTIYA INTERNATIONAL LIMITED

The following “Performance Evaluation Policy” is addressed to the Board of Directors of [Bhartiya International Limited] (“Company”) and is only for the purpose of internal use of the Company.

INTRODUCTION

The Company conducts its operations under the directions of Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, the Article of Association, Listing Agreement with stock exchanges and Code of Conduct and policies formulated by the Company for its internal execution. The Company’s Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis, in the best interest of the company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides for the a policy to be formulated and recommended to the Board, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

The Act, under clause VIII of Schedule IV, casts an obligation on part of the board of directors for evaluating the performance of independent directors. All the directors on the board of a company, except the independent director whose performance is being evaluated, will assess the performance of the independent director. Accordingly, a report of performance evaluation of each independent director of the company would be prepared, which would determine whether to extend or continue the term of appointment of the concerned independent director or not.

With an aim to maintain an energized, proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company’s top management, this **Board Performance Evaluation** process aims to ensure individual directors (“Directors”) and the Board of Directors of the Company (“Board”) as a whole work efficiently and effectively in achieving their functions. This policy aims at establishing a procedure for conducting periodical evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

EFFECTIVENESS OF THE BOARD

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company. The Company aspires to pay performance linked remuneration to its directors, key managerial personnel and other senior employees. For this reason, based on the fore stated criteria of evaluation the remuneration of the Directors and Key Managerial Personnel shall be determined and reviewed from time to time. It will be ensured that the remuneration is determined in such a way there exists a fine balance between fixed and incentive pay. Apart from a fixed remuneration, the said persons will be entitled to performance linked bonus, which

shall be determined in accordance with their respective performance evaluation report prepared on the basis on the fore-mentioned criteria.

RESPONSIBILITY OF BOARD / INDEPENDENT DIRECTORS

It shall be the duty of the Board, who shall be supported by the 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:

- I. Review the various strategies of the Company and accordingly set the performance objectives for directors, in consistency with varying nature and requirements of Company's business.
- II. 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.

In conformity with the requirement of the Act, the performance evaluation of all the directors shall be done by the entire Board of Directors, excluding the director being evaluated.

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 the performance of the non- independent directors, performance of chairperson of the Company and board as a whole, taking into account the views of executive directors and non-executive directors.

EVALUATION FACTORS

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors as, such evaluation factors may vary in accordance with their respective functions and duties.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below.

Rating Scale

Scale	Performance
5	Exceptionally good
4	Good
3	Satisfactory
2	Needs improvement
1	Unacceptable

The Company has chosen to adopt the following Board Performance Evaluation Process:

INDEPENDENT DIRECTORS

Some of the specific issues and 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.	Leadership initiative and advisory role		
3.	Abidance and behavior in accordance with ethical standards & code of conduct of Company		
4.	Interpersonal relationships with other directors and management		
5.	Safeguard of confidential information		
6.	Initiative in terms of new ideas and planning for the Company		
7.	Information about the Company and the external environment and factors affecting the working		
8.	Safeguarding interest of whistle-blowers under vigil mechanism		
9.	Disclosure of interest		
10.	Team work attributes		
11.	Compliance with policies of the Company, ethics, code of conduct, etc.		
12.	Timely inputs on the minutes of the meetings of the Board		

NON – INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of Chairperson/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: _____

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Attendance and participations in the Meetings		
2.	Leadership initiative		
3.	Abidance and behavior in accordance with ethical standards & code of conduct of Company		
4.	Team work attributes		
5.	Initiative in terms of new ideas and planning for the Company		
6.	Professional skills, problem solving, and decision-making		
7.	Compliance with policies of the Company, ethics, code of conduct, etc.		
8.	Safeguard of confidential information		
9.	Disclosure of interest		
10.	Reporting of frauds, violation etc.		
11.	Safeguarding of interest of whistle blowers under vigil mechanism		
12.	Timely inputs on the minutes of the meetings of the Board		

BOARD OF DIRECTORS

Some of the specific issues and 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.	Is the composition of the board appropriate with the right mix of knowledge and skills sufficient to maximize performance in the light of future strategy		
2.	The Board of Directors of the company is effective in decision making.		
3.	The Board reviews the organization's performance in carrying out the stated mission on a regular basis.		

S. No.	Assessment Criteria	Rating	Remarks/ Comments
4.	The Board of Directors is effective in providing necessary advice and suggestions to the company's management.		
5.	The number of meetings during the year is adequate for the Board to be effective.		
6.	Are sufficient board meetings, of appropriate length, being held to enable proper consideration of issues?		
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.	Board members fully and positively participate in discussions.		
10.	The Board Chairman effectively and appropriately leads and facilitates the Board meetings.		
11.	Compliance with policies of the Company, ethics, code of conduct, etc.		

COMMITTEES OF BOARD

The Board has constituted the following committees:

1. *Audit Committee;*
2. *Corporate Social Responsibility Committee;*
3. *Nomination and Remuneration Committee; and*
4. *Stakeholders Relationship Committee*

For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspects as set out in the annexure below:

S. No	<u>Committee members</u>	Rating	Remarks/ Comments
1.	The composition and size of the Committee are appropriate.		
2.	Responsibilities of the members of the committee are well defined.		
3.	Timely Meetings		

KEY MANAGERIAL PERSONNEL AND SENIOR EXECUTIVES

For evaluating the performance of Key Managerial Personnel and other Senior Executives, the Board of Directors shall pay regards to the following aspects as set out below:

Name of person being assessed: _____

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Interpersonal, communication and representational skills		
2.	Communication of expectations & concerns clearly with subordinates		
3.	Compliance with policies of the Company, ethics, code of conduct, etc.		
4.	Safeguarding interest of whistle-blowers under vigil mechanism		
5.	Reporting of frauds, violation etc.		
6.	Team work attributes		
7.	Compliance with policies of the Company, ethics, code of conduct, etc.		
8.	Initiative in terms of new ideas and planning for the Company		
9.	Professional skills, problem solving, and decision-making		
10.	Safeguard of confidential information		

REVIEW

The performance evaluation process and related tools will be reviewed annually by the “Nomination and Remuneration Committee”.

Subject to the approval of Board of Directors, the committee may amend the 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

(Bhartiya International Limited) will disclose details of its Board Performance Evaluation processes in its Board’s Report and the key features of this Policy will also be included in the corporate governance statement contained in the annual report of the Company.

Further, the Board’s report containing such statement shall indicate the manner in which formal evaluation has been made by the Board of its own performance and that of the committees of the Board and individual directors of the Company.