



JOYALUKKAS INDIA LIMITED

POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

**[This policy has been framed in compliance with the provisions of Section 178 (2),
134(3)(p) and other applicable provisions, if any, the Companies Act, 2013]**

Policy Number: 12/2021
Policy Owner: JOYALUKKAS INDIA LIMITED
Approved by: Board of Directors
Approved on October 18, 2021

1.INTRODUCTION

Joyalukkas India Limited believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in consonance with the Company's code of conduct for Board and senior management personnel. The honesty, integrity and sound judgement and performance of the Directors and the senior management are key criteria for the success and for building a good reputation of the Company. Each Director and executive in the senior management is expected to comply with the letter and spirit of this Policy. Any actual or potential violation of this above code and this Policy by the Directors would be the matter of serious concern for the Company.

Therefore, the Company has formulated this Policy to comply with various provisions under the Act and the Listing Regulations and also the formal annual evaluation made by the Board of its own performance (self-appraisals) and that of its committees and individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Act. The Committee shall evaluate the performance of the each Director as per sub section (2) of Section 178 of the Act and based on the functions of the Independent Directors as indicated under Schedule IV (as per Section 149) annexed to the Act.

2. DEFINITIONS

- i. **“Act”** means the Companies Act, 2013, as amended from time to time and the rules made thereunder.
- ii. **“Company”** means Joyalukkas India Limited
- iii. **“Committee”** shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Act.
- iv. **“Director”** or **“Board”** means the Director or the Board, in relation to the Company, and deemed to include the collective body of the Board of Directors of the Company including the chairman of the Company.
- v. **“Independent Director”** shall mean an Independent Director as defined under Section 2(47) to be read with Section 149 (5) of the Act.
- vi. **“Listing Regulations”** means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- vii. **“Policy”** shall mean this Policy for Evaluation of performance of Board of Directors of the Company.

3.OBJECTIVE:

The object of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the entire Board. Further, to adopt best practices to manage the affairs of the Company in a seamless manner and ensure sustained long term value creation for stakeholders by achieving good corporate governance.

APPRAISAL SYSTEM: Appraisal of each Director of the Company shall be based on the criteria as mentioned **Annexure 1**. This appraisal is mandatory and will be done under the provision of the clause (p) of sub section (3) of Section 134 of the Act.

4.CRITERIA FOR EVALUATION OF PERFORMANCE

The Committee has laid down the criteria for evaluation of performance of executive Directors, Independent Directors, Chairman and the Board.

1. Attendance and contribution at Board and Committee meetings.
2. His/her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards
3. His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/hedging, internal controls, risk management, assessment and mitigation, business operations, processes and corporate governance
4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
7. Recognize the role which he/she is expected to play, internal board relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. His/her contribution to enhance overall brand image of the Company.

5.VARIOUS KINDS OF PERFORMANCE EVALUATION

5.1 APPRAISAL SYSTEM:

Appraisal of each director of the company shall be based on the criteria as mentioned in annexure 1. This appraisal is mandatory and will be done under the provision of the clause (p) of sub section 134 of the act.

5.2 EVALUATION OF PERFORMANCE:

The Committee shall evaluate the performance of each Director under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of Section 178 of the Act and based on their functions as mentioned in the Code of Conduct of the Directors and Senior Management Personnel and the criteria for the evaluation of the performance as prescribed in the clause 6 of this Policy. Evaluation of Independent Director shall be carried on by the entire Board which shall include – (a) performance of the Directors; and (b) fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who are subject to evaluation shall not be allowed to participate. Based on the performance evaluation of each and every Director and the chairman of the Company, the Committee shall provide the ratings based on each criteria and sub-criteria.

5.3 EFFECTIVENESS OF THE BOARD:

Based on the ratings given by the Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the appointments, reappointments and removal of the non-performing Directors of the Company.

6.SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS

Evaluation of the executive Directors shall be carried out by entire Board except the executive Director being evaluated. The meeting for the purpose of evaluation of performance of Board members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Committee for performance evaluation on its web site for the reference and also in the annual report of the Company.

7. COMPANY – BOARD MEMBER FEEDBACK:

The Company believes in value for its stakeholders through ethical processes and integrity. The Board plays a very important role in ensuring the Company's performance is monitored and timely inputs are given to enhance its performance and set the right direction for growth. Hence it is important that every individual Board member effectively contributes in the Board deliberations.

Board member Feedback Form should be as per Annexure 2

8. PROCEDURE TO RATE THE PERFORMANCE:

Based on evaluation criteria, the Committee and the Board shall rate the performance of the each and every Director. The performance rating shall be given within minimum 1 and maximum 10 categories, the rating 1 being least effective and 10 being most effective. Based on the rating of performance the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

Annexure 1

Joyalukkas India Limited - Board Evaluation

Joyalukkas India Limited believes in value for its shareholders through ethical processes & integrity. The board plays a very important role in ensuring that the company performance is monitored and timely inputs are given to enhance its performance and set the right direction for profitable growth fully complying with relevant regulation requirements. As a board member request you to rate your experience on the following (1 being lowest and 5 being highest) –

Board Responsibility	Question	Rating	Remarks
Strategy	Board effectively provides strategic direction to the company.		
Performance Management	Board provides effective direction on key decisions impacting the performance of the company		
	Board effectively reviews the financial performance of the company and suggests corrective actions		
Execution, Investments and M&A	Board advises on business investments and M&A's to benefit company growth and profitability.		
Organization Health and Talent Management	The Board effectively mentors the senior members of the company besides monitoring the succession plans of senior leaders.		
	Board ensures that the company values are adequately reflected in the way the company is run.		
Risk Management	Board effectively reviews the risk management framework in the company and provides appropriate direction for corrective actions where necessary.		
Core Governance & Compliance	Board strives towards adapting best practices in governance while also fully complying with the laws of land.		
Support to the Board	The process for setting the board agenda is transparent, realistic to the current needs and meeting material is shared well in time. The frequency and duration of the board meetings are adequate to ensure a proper discharge of all the responsibilities.		
	Overall board meeting is held in open and objective manner where there is adequate opportunity for members to share their views.		
Overall			

Note: Rating 35 and above – excellent between 30 to 35 Very Good, between 25-30 Good, Between 35 to 59 Satisfactory and less than 35 unsatisfactory.

Annexure 2

Joyalukkas India Limited – Board Member Feedback

Joyalukkas India Limited (the Company) believes in value for its shareholders through ethical processes & integrity. The board plays a very important role in ensuring that the company performance is monitored and timely inputs are given to enhance its performance and set the right direction for growth. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

Feedback Recipient's Name: _____

Kindly rate the recipient on the scale of 1 to 5 (1 being least effective and 5 being highly effective) –

Question	Rating	Remarks
Participates in the board meetings actively		
Participates in the board meeting consistently.		
Prepares adequately for the board meetings		
Contributes to strategy and other areas impacting company performance		
Brings his/her experience and credibility to bear on the critical areas of performance of the organization		
Keeps updated knowledge of his/her area of expertise		
Communicates in open and constructive manner.		
Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented.		
Helps create positive image of the company and helps the company wherever possible.		
Actively contributes toward positive growth of the organization		
Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.		