

RKCPL LIMITED
POLICY ON EVALUATION OF THE BOARD OF
DIRECTORS

Introduction:

RKCPL Limited (referred to as 'Company') values integrity, commitment, standards and ethics and also believes that such principles and standards govern the behavior of the Company and its' employees. High moral and ethics are always essential for long term achievements and vision of the Company.

Preamble:

The Company has made this policy to comply with various provisions of Section 134 and 178 of The Companies Act, 2013 (the Act and based on the Code for Independent Directors as indicated under Schedule IV (as per section 149 sub-section 8) annexed to the Act and the Rules made thereunder.

Further Under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 various regulations viz. Regulation 17(10), 25(4), Schedule-II etc require formulation and implementation of policy for evaluation of performance of the board of directors including Independent Directors.

Objects:

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

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

The scope of the evaluation extends to Directors including Independent Directors, the Non-Executive Chairman, the Managing Director / Whole Time Directors and to Key Executives on the basis of the criteria set forth by the Nomination & Remuneration Committee.

Definitions:

- a) **Companies Act** means the Companies Act, 2013, as amended from time to time and the rules made thereunder.
- b) **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.
- c) **Financial Year** means the fiscal year starting on April 1 of one year and ending on March 31 of the succeeding year.
- d) **Independent Director** shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (6) of the Act.

- e) **Policy** shall mean this Policy for evaluation of performance of the Board of the Company.
- f) **Committee** shall mean the Nomination and Remuneration Committee of the Board formed under the provisions of Section 178 of the Act.
- g) **SEBI Listing Regulations** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Evaluation of the Board:

The Committee shall evaluate the performance of each Director of the Company under the nomination and remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act and the SEBI Listing Regulations.

The evaluation forms shall be in the manner and form as prescribed by Securities Exchange Board of India/Ministry of Corporate Affairs from time to time.

The evaluation / assessment of the Directors of Company, is to be conducted on an annual basis, which helps Directors to develop a shared understanding of their governance role and responsibilities; thereby complying with the provisions of the Listing Regulations.

The Chairman of the Committee shall collect the input and prepare a report that will be submitted to the Committee on an annual basis, after the end of every Financial Year. Based on the reports submitted, the Committee shall assess and discuss the performance of the Board as a whole every year, and ascertain key areas for improvement and the requisite follow-up actions.

Evaluation of the Executive Directors of the Company shall be carried out by entire Board except the Director being evaluated.

The meeting for the purpose of reviewing 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 website for the reference and also in the Annual Report of the Company.

1. Evaluation of Independent Directors

The performance evaluation of Independent Directors shall be carried out by the entire Board excluding the Independent Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

2. Evaluation of Chairperson

The performance evaluation of Chairperson shall be carried out by the Independent Directors.

3. Evaluation of overall Board

In the Overall Board and Committees Evaluation, each Board / Committee member will be asked to provide written inputs which will be submitted for evaluation.

- a) Results will be tabulated and analyzed prior to the meeting and presented in a summary report to include composite scoring.
- b) The individually completed forms will also be preserved and presented to the Board and the Committee for evaluation.
- c) The Board will discuss areas that are working well, and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward.

4. Evaluation of the Directors by the Committee

Apart from the above, the Committee will also independently carry out an evaluation of every director's performance. The Committee will provide feedback to the Board for its consideration.

5. Evaluation Periodicity

The evaluation process shall be initiated once at the end of Financial Year or the beginning of the next Financial Year.

Performance evaluation criteria:

The Committee has laid down the criteria for evaluation of performance of Independent Directors 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 decision-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 ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.

10. His / her contribution to enhance overall brand image of the Company.

Performance rating:

Based on evaluation criteria laid down in this Policy, the Board of Directors shall rate the performance of the each and every Director, including the Chairman of the Company.

The Committee based on the performance evaluation criteria and the evaluation rating of each Director as submitted by the Board of Directors shall give overall performance evaluation rating to each and every Director.

The Nomination & Remuneration Committee based on overall performance evaluation rating shall decide the performance and effectiveness of the Board of Directors as a whole.

The performance rating shall be given within minimum 1 and maximum 10 categories, the rating 1 being least effective and 10 being most effective, as below:

Evaluation Criteria

1. Participation and attendance in Board and Committee Meetings actively and consistently
2. Prepares adequately for Board and Committee Meetings
3. Contributes to strategy company's performance and other areas impacting
4. Contributes their experience and credibility to bear on the critical areas of performance of the organization
5. Keeps updated knowledge of his/her areas of expertise and other important areas
6. Communicates in open and constructive manner
7. Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented
8. Helps to create brand image of the Company and helps the company wherever possible to resolve issues, if any
9. Actively contributes toward positive growth of the Company
10. Conduct in a manner that is ethical and consistent with the laws of the land.

Based on the overall performance evaluation rating as given by the Committee, 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.

Review:

The Committee 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 Committee.

Amendment

Any change in the Policy shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy