



# **TCI INDUSTRIES LIMITED**

## **BOARD EVALUATION POLICY**



**PREAMBLE:**

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Company's Code of Conduct for its employees and also for the Board of Directors.

Further to that in Compliance with the various provisions under Clause 49 of the Listing Agreement entered into by the Company and the Stock Exchanges and Section 134(3)(p), 178(2), Clause VII of the Schedule IV of the Companies Act, 2013, the Company has formulated a Board Evaluation Mechanism or the Board Evaluation Policy, which lays down the criteria for Evaluation of the performance of the Directors (including the Executive, Non-Executive and Independent) and the Chairman.

As prescribed under Section 178(2) of Companies Act, 2013, the Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out every director's performance.

**OBJECTIVE:**

The objective of this Policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of entire Board of the Company and to ensure that individual Directors and the Board as a whole work efficiently and effectively in achieving their functions towards attaining the Organizational goals.

**Definitions:**

- "the Act" means the Companies Act, 2013;
- "the Company" means TCI Industries Limited.
- "the Directors" or "the Board" means and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.
- "the independent Director" means an Independent Director as defined under section 2(47) to be read with section 149(5) of the Act.
- "the policy" or "this policy" means the Board Evaluation Mechanism or the Board Evaluation Policy.
- "the Committee" or "this Committee" means the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Companies Act, 2013.

The following process therefore has been laid down to implement the performance evaluation of the Board and its Members:

Each year the Board will undertake the following activities:



### **Performance Evaluation of the Independent Directors:**

The performance evaluation of the Independent Directors of the Company shall be done by the entire Board of Directors excluding the Director being evaluated on an annual basis. The process for the said evaluation shall be as under:

- The Board shall hold a meeting once before the end of Financial Year which shall not be attended by the Independent Directors.
- The Board shall depute one or more of the directors to conduct the process of evaluation of performance of the Independent Directors.
- The Board shall conduct a performance evaluation of the Independent Directors in the said meeting wherein it shall review and assess the performance of Independent Directors excluding the Director who is being evaluated.
- The Board shall prepare a report of the performance evaluation of Independent Directors and based on the evaluation, the Board may consider continuing or not extending the term of Independent Directors.

### **Performance Evaluation of the Board of Directors:**

The performance evaluation of the Board of Directors of the Company shall be done by the Independent Directors on an annual basis. The process for the said evaluation shall be as under:

- The Independent Director shall hold atleast one meeting in a year without the attendance of Non-Independent Directors and the Members of the Management wherein it shall review and assess the performance of the Board of Directors and/or Non-Independent Directors.
- The Independent Directors shall depute one or more of the Independent Director to conduct the process of evaluation of performance of other Directors of the Board.
- The Independent Directors shall prepare a report of the Performance Evaluation of the Board and based on the evaluation, the Board may consider continuing or not extending the term of the Director/s.

### **Performance Evaluation of the Chairman:**

- The Executive and Non-Executive Directors of the Company shall review the performance of the Chairman of the Company.

### **Other Criteria's:**

- The performance appraisal of each of the Directors (whether Independent or non-Independent) shall also include the appraisal of their participation and /or contribution in any Committee of the Board, of which they may be a member of.



**Compliance:**

- The Board of Directors shall ensure that a Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its own Committees and individual directors. The said statement shall form part of the Board's Report as prescribed under Section 134(3)(p) of the Companies Act, 2013.
- The Policy shall be effective from the date when the same is approved by the Board of Directors of the Company and the same shall be subject to such further changes as may be decided by the Board from time to time.