



# OSWAL GREENTECH LIMITED

## BOARD EVALUATION MECHANISM

*(updated upto November 2020)*

**BOARD EVALUATION MECHANISM****I. Introduction**

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly under the Companies Act, 2013 (hereinafter referred to as "the Act"); the Articles of Association, Listing Agreement entered into with stock exchanges.

The Company's directors hold fiduciary position and are expected to act in good faith; exercise their judgment on an informed basis and in the best interest of the company and its stakeholders. Accordingly, it is necessary for the Company to have in place an evaluation mechanism for evaluating the performance of the directors on its Board. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors on the Board and will ensure that they exercise their powers in a prudent manner. 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 that individual directors ("Directors") or the Board of Directors of the Company ("Board") and Committees of the Board as a whole, work efficiently and effectively in achieving the Company's objectives.

Accordingly, the Company has developed a mechanism for the evaluation of performance of its Board, Committees and Individual Directors so that the interest of its stakeholders shall be served in the best possible manner. This policy aims at establishing a procedure for the Board to conduct periodic evaluation of its own performance and of its committees and individual directors.

**II. Regulatory framework / requirement**

Pursuant to provision of Section 178 of the Companies Act, 2013 the Nomination & Remuneration Committee of the Board shall evaluate the performance of all Directors on the Board. Further, section 134 of the Companies Act 2013, provides that every listed company, shall include a statement in its Board Report indicating the manner in which the annual evaluation of the performance of the Board, committees of the Board and individual Directors have been done. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 obligates that the Nomination and Remuneration Committee of the Board to formulate evaluation criteria for the independent directors and the Board.

**III. Criteria for evaluation:****A. Non-Independent Directors:**

1. Knowledge of the affairs of the Company;
2. Attendance and participation in the meetings and timely inputs on the Minutes of the meetings;
3. Contribution towards growth strategies of the Company;
4. Expert opinion in respect of key issues brought to their attention;

5. Resolution of conflict of interest issues of other Directors;
6. Maintaining the corporate culture of the Company;
7. Adhering to the Code of Conduct, SEBI Regulations and timely furnishing to the Company required disclosures under various applicable laws, change of interest and change in personal information.

**B. For Independent Directors**

1. Attendance and participations in the Meetings and timely inputs on the Minutes of the Meetings.
2. Adherence to ethical standards and code of conduct including code of conduct as specified in Schedule IV to the Companies Act, 2013 and timely furnishing to the Company required disclosures under various applicable laws, change of interest and change in personal information.
3. Raising of valid concerns to the Board and constructive contribution to resolution of issues at Meetings.
4. Cordial interpersonal relations with other directors and management while maintaining a firm stance on governance issues.
5. Objective evaluation of Board's performance, rendering independent and unbiased opinion on matters brought to their attention.
6. Ability to monitor the performance of management and satisfy themselves with integrity of the financial controls and systems in place by ensuring right level of contact with external and internal stakeholders.

**IV. Evaluation mechanism**

Pursuant to provisions of section 178 of the Act and SEBI Listing Regulations, 2015, the Nomination and Remuneration Committee of the Board shall be the first point for evaluating the performance of the Board and directors.

Thereafter, the Board shall evaluate the performance of the Independent Directors on the Board (Board Evaluation Exercise). The Independent Directors in their separate meeting shall evaluate the performance of Non - independent directors and the Board as a whole.

**V. Effectiveness of the board and committees of board:**

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained from the Board Evaluation exercise and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors.

Rating parameters:

1. Surpass Expectation
2. Meet Expectation
3. Below Expectation

**VI. Review of mechanism**

The 'Nomination and Remuneration Committee' reserves its right to review and amend this mechanism as and when it considers necessary and to ascertain its appropriateness as per the needs of the company and applicable laws. The mechanism may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee and reviewed mechanism shall be placed in the subsequent Board Meeting for taking note of the same.

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