

# **BEDMUTHA INDUSTRIES LIMITED**



## **POLICY ON EVALUATION OF** **PERFORMANCE OF BOARD OF DIRECTORS**

## **PREAMBLE**

Bedmutha Industries Limited (the “**Company**”) conducts its operation under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly the Companies Act, 2013, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), internal code of conduct formulated by the Company for its internal execution.

The Company’s Board of Directors are dedicated to act in good faith, exercise their judgment on an informed basis and in the best interest of the Company and its stakeholders. Section 178 of the Act provides that the Nomination and Remuneration Committee (“**NRC**”) 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 their appointment and removal and manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out, either by the Board, by the NRC or by an independent external agency, which shall be assessed by the Board of Directors of the Company.

The Company firmly believes in the ideals of productive performances of its Board of Directors and keeping in mind these principles the Company has formulated this Policy.

## **OBJECTIVE**

The main objectives of this policy as per Listing Regulations

The NRC shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employee of the Company.s.
- ii. Formulate the criteria for evaluation of performances of Independent Directors, Whole time Directors / Non-Whole time Directors.
- iii. Devise a policy on diversity of Board of Directors.

- iv. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- v. Identify whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of their performance evaluation.
- vi. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

The Committee shall evaluate the performances of Directors at least once in a year or as and when needed / directed by the Board of Directors.

#### **AN INDICATIVE LIST OF FACTORS UPON WHICH EVALUATION OF PERFORMANCE CAN BE CONDUCTED**

- i. Meeting participation & value contribution by a Director.
- ii. Number of meetings attended.
- iii. Commitment (includes guidance provided to senior management outside of board/committee meetings)
- iv. Effective management of relationship with stakeholders.
- v. Effective deployment of knowledge & expertise in the various fields.
- vi. Integrity & maintenance of confidentiality.
- vii. Impact & influence inside / outside of the company.

The Company may, from time to time, use such parameters as prescribed by SEBI in its circular in relation to Guidance Note on Board Evaluation dated January 5, 2017.

#### **IMPLEMENTATION AND MONITORING OF PERFORMANCE EVALUATION PROCESS**

The NRC in consultation with Board may be responsible for implementation of evaluation of performances.

The NRC has to follow the Individual evaluation criteria, for the following three categories of Directors.

- i. the Board;
- ii. non-executive/independent directors
- iii. whole-time/managing director(s)

### **EXTERNAL CONSULTANTS**

The Board or Committee thereof may engage independent external consultants periodically to provide strategic advices and assistance in the evaluation process.

**BEDMUTHA INDUSTRIES LTD.**  
**CIN - L31200MH1990PLC057863**  
**A-70/71/72, STICE, MUSALGAON MIDC, SINNAR,**  
**DIST. NASHIK – 422 112.**  
**TELEPHONE NO: PH.: +91-2551-240481, 240320**  
**cs@bedmutha.com |<http://www.bedmutha.com>**