

izmo ltd.

POLICY/CRITERIA FOR
PERFORMANCE EVALUATION
OF INDEPENDENT DIRECTORS

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated that the Nomination and Remuneration Committee shall formulate criteria for evaluating the performance of independent directors and the board of directors.

The Criteria for evaluation of independent directors shall be laid down by the Nomination and Remuneration Committee, which shall be approved by the Board.

- The criteria shall be disclosed in the Annual Report of the Company.
- The performance of Independent Directors shall be evaluated by the entire Board of Directors (excluding the Director being evaluated).
- On the basis of evaluation, it shall be determined whether to extend or continue the term of appointment.

Suggestion:

- It is hereby suggested that the criteria for evaluation of the Independent Directors may be on the following parameters:

➤ **Personal Traits/ General Criteria:**

- Highest personal and professional ethics, integrity and values ;
- Inquisitive and objective perspective, practical wisdom and mature judgment;
- Demonstrated intelligence, maturity, wisdom and independent Judgment
- Self-confidence to contribute to board deliberations, and stature such that other board members will respect his or her view;
- The willingness and commitment to devote the extensive time necessary to fulfill his/her duties;
- The ability to communicate effectively and collaborate with other board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others; and
- The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.

➤ **Specific Criteria:**

- Participation and contribution by a Director;
- Commitment , including guidance provided to the Senior Management outside of Board/ Committee Meetings;
- Effective deployment of knowledge and expertise;
- Effective management of relationship with various stakeholders;
- Independence of behaviour and judgment.
- Maintenance of confidentiality of critical issues.

Further the Committee/Board shall be authorised to modify the criteria as it may deem fit and necessary.

Conclusion:

The Committee may devise a criteria based on the above mentioned parameters and the same will be approved/adopted by the Board. Performance Evaluation Format is attached.

PERFORMANCE MEASUREMENT OF INDEPENDENT DIRECTORS

- The Nomination and Remuneration Committee of the Board shall authorize the evaluation criteria.
- The criteria shall be disclosed in the Annual Report of the Company.
- The evaluation shall be undertaken by the Board facilitated by an independent external agency to ensure objectivity and equity.
- Evaluation criteria

REMUNERATION

The Company aspires to pay performance linked remuneration to its executive directors, key managerial personnel and other senior employees. For this reason, based on the aforesaid criteria of evaluation of performance of directors (non-independent directors), Company Secretary and other Key Managerial Personnel and senior employees, their remuneration shall be determined and reviewed from time to time by the Chairman & Managing Director.

AMENDMENTS

Subject to the approval of Board of Directors, the “Nomination and Remuneration Committee” reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the requirement of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee of the Company..

DISCLOSURE

In accordance with the requirement under the Companies Act, 2013, Rules made thereunder and Listing Agreement, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors. The Company shall disclose the evaluation criteria in its Annual Report.

Factor	Attributes
Role & Accountability	<ul style="list-style-type: none">• Understanding of nature and role of independent directors’ position
	<ul style="list-style-type: none">• Understanding of risks associated with the business
	<ul style="list-style-type: none">• Application of knowledge for rendering advice to Management for resolution of business issues.
	<ul style="list-style-type: none">• Offer constructive challenge to Management strategies and proposals.
Objectivity	<ul style="list-style-type: none">• Active engagement with the management and attentiveness to progress of decisions taken.
	<ul style="list-style-type: none">• Non-partisan appraisal of issues
Leadership & Initiative	<ul style="list-style-type: none">• Own recommendations given professionally without tending to majority or popular views.
	<ul style="list-style-type: none">• Heading Board Sub Committees
Personal Attributes	<ul style="list-style-type: none">• Driving any function or identified initiative based on domain knowledge and experience.
	<ul style="list-style-type: none">• Commitment to role & fiduciary responsibilities as a board member
	<ul style="list-style-type: none">• Attendance and active participation and not done perfunctorily
	<ul style="list-style-type: none">• Proactive, strategic and lateral thinking