



## EMMSONS INTERNATIONAL LIMITED

### POLICY FOR EVALUATION OF THE PERFORMANCE

#### INTRODUCTION

The Company conducts its operations under the directions of Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, the Articles of Association, Listing Agreement with stock exchanges and Code of Conduct and policies formulated by the Company for its internal execution. The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis, in the best interest of the company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides for a policy to be formulated and recommended to the Board, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

The Act, under clause VIII of Schedule IV of Companies Act, 2013, casts an obligation on part of the board of directors for evaluating the performance of independent directors. All the directors on the board of a company, except the independent director whose performance is being evaluated, will assess the performance of the independent director. Accordingly, a report of performance evaluation of each independent director of the company would be prepared, which would determine whether to extend or continue the term of appointment of the concerned independent director or not.

With an aim to maintain an energized, proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the Directors, Chairperson, entire Board and Committees thereof and Key Managerial Personnel and Senior Executives of the Company.

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") and the Board of Directors of the Company ("Board") as a whole work efficiently and effectively in achieving Company's objectives. 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.



## EMMSONS INTERNATIONAL LIMITED

### DEFINITIONS

A. **“the Act”**:

The Act means The Companies Act, 2013;

B. **“the Company”**:

The Company means EMMSONS INTERNATIONAL LIMITED.

C. **“Board of Directors”** or **“the Board”**:

The Director or the Board, in relation to the Company, means the collective body of the Board of Directors of the Company.

D. **“the Independent Director”**:

The Independent Director means an Independent Director as defined under section 149 (6) of the Act.

E. **“the Policy”** or **“this Policy”**:

The policy or This Policy means the Policy for Evaluation of performance of Directors, Independent Directors, Chairperson, and Committees thereof of the Company as per the requirements of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

F. **“the Committee”** or **“this Committee”**:

The Committee or This Committee means the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

### OBJECTIVE

The Object of this policy is to formulate the procedures and to prescribe and lay down the criteria to evaluate the performance of the Directors, Chairperson, Board and its Committees, Key Managerial Personnel and Senior Executives of the Company.

### EVALUATION FACTORS

In respect of the evaluation factors, various aspects have been provided to assist with the evaluation process of performance of the Directors, Chairperson, Board itself, and of its committees, Key Managerial Personnel and Senior Executives. Such evaluation factors may vary in accordance with their respective functions and duties. Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

Performance evaluation as above shall be based on the guidelines and criteria as mentioned herein below.



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### INDEPENDENT DIRECTOR :

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board.

| S. No. | ASSESSMENT CRITERIA  |
|--------|--|
| 1.     | Attendance and contribution at Board and Committee meetings  |
| 2.     | His/her stature, appropriate mix of expertise, skills, behavior, 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 decisions 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.     | Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc |
| 10.    | 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   |
| 11.    | His/her contribution to enhance overall brand image of the Company   |



## EMMSONS INTERNATIONAL LIMITED

### CHAIRPERSON/NON-INDEPENDENT DIRECTOR/EXECUTIVE DIRECTOR:

The specific issues and questions that should be considered in the performance evaluation of Chairperson/ Non-Independent Director / Executive Director by Independent Directors are set out herein below:

| <b>S. No.</b> | <b>ASSESSMENT CRITERIA</b>   |
|---------------|--|
| 1.            | Attendance and participation in the meetings   |
| 2.            | Safeguard of confidential information  |
| 3.            | Initiative in terms of new ideas and planning for the Company  |
| 4.            | Safeguarding interest of whistle-blowers under vigil mechanism   |
| 5.            | Timely inputs on the minutes of the meetings of the Board  |
| 6.            | the composition of the board appropriate with the right mix of knowledge and skills sufficient to maximize performance in the light of future strategy |
| 7.            | The Board of Directors of the company is effective in decision making  |
| 8.            | The Board of Directors is effective in providing necessary advice and suggestions to the company's management  |
| 9.            | The number of meetings during the year is adequate for the Board to be effective   |
| 10.           | Compliance with policies of the Company, ethics, code of conduct, etc.   |
| 11.           | Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues                 |
| 12.           | The Board Chairman effectively and appropriately leads and facilitates the Board meetings.   |

### REVIEW

The performance evaluation process will be reviewed annually by the "Nomination and Remuneration Committee". Subject to the approval of Board of Directors, the Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

### DISCLOSURE

Such policy shall be disclosed in the Board's report.