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## **DIRECTORS PERFORMANCE EVALUATION POLICY**

### **1. Introduction:**

- The Companies Act 2013 requires performance evaluation of individual directors – including independent directors, self-evaluation of performance of the board of directors (“Board”) and the committees of the Board (“Committees”). In order to align with the provisions of section 178, Schedule IV and other applicable provisions and rules made there under and acting on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of Peterhouse Investments India Ltd has formulated criteria and policy to evaluate the performance of the Independent Directors and Non-Independent Directors of the Company (Directors Performance Evaluation Policy).

- As required under the amended Clause 49 of Listing Agreement:

*“The Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent directors. The company shall disclose the criteria for performance Evaluation, as laid down by the Nomination Committee, in its Annual Report.”*

### **2. Scope and Purpose:**

The criteria for performance evaluation of the Board as stated above are drawn for fulfilment of the above objectives.

### **3. Criteria**

#### ***Criteria for Evaluation – Non-Executive Directors***

The following criteria are identified for performance evaluation:

- **Attendance:** The attendance at the meetings of the Board and Committees, while not being the primary basis, would have a significant bearing on the other criteria;
- **Effective Participation:** The quality and level of participation at meetings, contribution to the discussions and the impact on the decision-making process would be ascertained;
- **Domain Knowledge:** The higher level of expertise and knowledge of each director in certain domains is expected to contribute to the decision-making process and the decisions taken;
- **Access to management outside Board Meetings:** The level of access for discussions, advice and inputs on occasions other than Board meetings would be considered;
- **Objectiveness:** The objectiveness with which the proposals are assessed and suggestions/advice made at the Board meetings and thereby make an impact on the deliberations would be important;

- **Collaboration:** Each Director would need to work in a spirit of collaboration within the Board and its Committees to ensure harmony and seamless decision making;
- **Compliance with Code of Conduct:** The compliance with the code of conduct applicable to the directors are the primary requirement and needs no added emphasis;
- **Challenging management appropriately:** Constructive challenges to the proposals and strategies placed before the Board by the management is required to ensure that complacency does not set in and fresh thinking is encouraged; and
- **Additional Contribution:** There could be occasion where the director has made contribution over and beyond those stated above, which has made a significant difference in the quality and level of involvement.

#### *Criteria for Evaluation – Executive Directors*

The following criteria are identified for performance evaluation:

- **Attendance:** The attendance at the meetings of the Board and its Committees, while not being the primary basis, would have a significant bearing on the other criteria;
- **Effective Participation:** The quality and level of participation at meetings, contribution to the discussions and the impact on the decision-making process would be ascertained;
- **Domain Knowledge:** The higher level of expertise and knowledge of each director in certain domains is expected to contribute to the decision-making process and the decisions taken;
- **Performance:** The effective accomplishment of tasks against the business plans and objectives would have a significant bearing in evaluation;
- **Vision and Strategy:** Strategic planning with long term vision and making decisions in line with the vision of India Carbon Limited (“Company”) and long-term objectives that contribute to the growth of the Company would be a vital criterion; and
- **Benchmark to global peers:** A qualitative and quantitative analysis of the performance against the benchmarks established by the global peer groups would be considered. The above stated criteria are not an exhaustive one and there could be others which may be relevant on occasions. These also would be considered in appropriate manner.

#### **4. Manner**

The Board may, on its own evaluate the performance of the Executive and Non-Executive Directors or engage any expert in the field of performance evaluation or human resource or performance management to evaluate the performance of the directors.  
The evaluation shall be done by the directors excluding the director being evaluated.

## **5. Outcome of Evaluation**

The results of the evaluation and comments, if any, presented on the evaluation forms will be reported to the Board / Committee for deliberation(s).

## **6. Communication**

- The Board will evaluate, discuss and collate the results of the evaluation process.
- The Board will meet and intimate the evaluation results to the Independent Directors and the Non-Independent Directors.
- The Independent Directors and the Non-Independent Directors shall be provided an opportunity to address the Board regarding his or her final evaluation results, or submit a written response to the Board to be kept as an attachment with the written evaluation results.

## **7. Confidentiality**

The discussions held during the Board meeting shall be kept confidential amongst those who attend the meetings. The written evaluation results are strictly confidential.

The discussions held during the Board meeting and the written evaluation results are not public records and are confidential in nature. The written evaluation results shall form part of the confidential personnel file of the Independent Director & Non-Independent Director.

## **8. Disclosure of the Policy**

The Company shall disclose the criteria for performance evaluation in its Annual Report for better corporate governance.

## **9. General**

- Any or all provisions of this Directors' Evaluation Policy would be subject to revision/ amendment as may be made from time to time in the Regulations or any other applicable law.
- The Board reserves the right to review the policy from time to time based and make suitable modifications, as may be necessary.

## **CRITERIA FOR EVALUATION OF PERFORMANCE OF INDEPENDENT DIRECTORS AND BOARD**

As required under the amended Clause 49 of Listing Agreement, one of the roles of the Nomination Committee is to formulate the criteria for evaluation of Independent Directors and the Board.

The Nomination and Remuneration Committee has laid down the criteria for evaluation of Performance of Independent Directors as follows:

1. Attendance and contribution at Board and Committee meetings
2. His/her stature, appropriate mix of expertise, skills, behaviour, 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,
4. Internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
5. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
6. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
7. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
8. 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.
9. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
10. 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.
11. His/her ability to monitor the performance of management and satisfy himself with integrity of Financial controls and systems in place by ensuring right level of contact with external stakeholders
12. His/her contribution to enhance overall brand image of the Company

The Nomination and Remuneration Committee has laid down the criteria for evaluation of Performance of Independent Directors as follows:

1. Degree of fulfilment of key responsibilities;
2. Board structure and composition;
3. Establishment and delineation of responsibilities to Committees;
4. Effectiveness of Board processes, information and functioning;
5. Board Culture and Dynamics;
6. Quality of relationship between the Board and the Management;
7. Efficacy of communication with external stakeholders, etc.

(Since the corporate environment is dynamic in nature, the above criteria would be evaluated at regular intervals and any one or more of the above criteria may not be utilized if found irrelevant at the time of evaluation.)