

**POLICY ON EVALUATION OF BOARD OF
DIRECTORS
OF
MEGLON INFRA-REAL (INDIA) LIMITED**

INTRODUCTION:

The honesty, integrity and sound judgment and performance of the Directors and the Senior Management are key criteria for the success and for building a good reputation of the Company. Each Director and executive in the Senior Management is expected to comply with the letter and spirit of this Policy.

As per Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulation'**) every listed Company is required to Constitute a Nomination and Remuneration Committee. Therefore, the Company has made this policy to comply with various provisions under the Regulation 19 of the Listing Regulation.

Any actual or potential violation of these Codes by the Board Directors would be the matter of serious concern for the Company.

DEFINITIONS:

- a) **"The Act"** The Act shall mean The Companies Act, 2013.
- b) **"The Company"** The Company shall mean Meglon Infra-Real (India) Limited.
- c) **"The Director"** or **"the Board"** The Director or the Board, in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.
- d) **"The Independent Director"** The Independent Director shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (5) of the Act and regulation 16 (1) (b) of Listing Regulation.
- e) **"The Policy"** or **"this Policy"** The policy or This Policy shall mean the Policy for Evaluation of performance of Board of Directors of the Company.
- f) **"the Committee"** or **"this Committee"** The Committee or This Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013 and regulation 19 of listing regulation.

OBJECTIVES:

- A. To formulate criteria for determining qualifications, positive attributes and independence of a Director(s)
- B. Criteria for evaluation of Independent Directors and the Board and policy for Board diversity.

QUALIFICATIONS FOR APPOINTMENT OF DIRECTORS:

Subject of the Companies Act, 2013 and all other applicable laws the Company while appointing its Directors shall consider the following:

- i. The person to be appointed as Director should be a Person of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- ii. The person to be appointed as Director of the Company should possess requisite business literacy/skill.
- iii. The person to be appointed as Director should be open to learning.
- iv. The person to be appointed as Director should possess strong ethics and kindness to treat people with respect.
- v. **Additional requirements for Independent Directors:**
 - i. In the opinion of the Board, is a person of integrity and possesses relevant expertise and experience.
 - ii. Is or was not a promoter of the company or its holding, subsidiary or associate company.
 - iii. Is not related to promoters or Directors in the company, its Holding, Subsidiary or Associate Company.
 - iv. Apart from receiving director's remuneration, he should not have any material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year
 - v. None of his relatives shall have any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
 - vi. Neither he nor his relative shall hold the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed
 - vii. Neither he nor his relative has been an employee or proprietor or a partner of a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
 - viii. He along with his relatives should not hold two per cent or more of the total voting power of the company.

- ix. Neither he nor his relative should be a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company.
- x. Neither he nor his relative should be a material supplier, service provider or customer or a lessor or lessee of the company.

CRITERIA FOR EVALUATION OF THE BOARD:

a) On the basis of performance:

- i. Is the composition of the board appropriate?
- ii. How well has the board performed against any objective that was set?
- iii. What has been the contribution of the board to the development strategy?
- iv. What has been the contribution of the board to ensuring robust and effective risk management?
- v. Is time used effectively?
- vi. Is board procedure flexible and is the conducive to effective performance.
- vii. Performance of the Company on the Stock Exchanges.
- viii. Review of Detailed Compliances applicable under the various Laws, Rules & Regulations.
- ix. Reviewing Whether the Business is running legally or not.

b) On the basis of Committees:

- i. Is the composition of the board committees appropriate?
- ii. How effective is its use of the committees?
- iii. How well does committees respond to request from the board or the employees for clarification or additional information?
- iv. Various Directions provided in the best interest of the Company on key issues.
- v. Avoidance of High Financial Risk while executing the functions and duties.

c) Individual Director

Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below:

- i. Are relationships inside and outside the board working effectively?
- ii. How has the Director responded to any problems or crises that arose?
- iii. How well does the board communicate with the management team, employees and others?
- iv. Do these have the right balance of knowledge and skills to maximize performance?
- v. Skills required to perform or to execute the job profile.
- vi. Attendance and participations in the Meetings.

- vii. Expert opinions in respect of the serious issues.
- viii. Knowledge of the Job Profile.
- ix. Communication skills and quick responsiveness.

d) Independent Directors:

Appraisal of each Independent Director of the Company shall be based on the criteria as mentioned herein below:

- i. Is the attendance of Independent directors at meetings satisfactory?
- ii. What has been the quality and value of Independent director's contributions at board meetings?
- iii. What has been their contribution to the development of (i) Strategy and (ii) risk management?
- iv. Initiative to maintaining Corporate Culture of the Company.
- v. How good are their relationship with other board members, the company secretary and senior management?
- vi. Can they present their views convincingly, yet diplomatically?
- vii. Do they listen to the views of others?
- viii. Are they up-to-date with the latest developments in areas such as the corporate governance framework and financial reporting and in the industry and market conditions?
- ix. Initiative to maintaining Moral Values of the Company.
- x. Functioning of Duties and Responsibilities as per the Code of Conduct for Directors.

The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).

REVIEW OF THIS POLICY:

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy.
