

**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 are key criteria for the success and for building a good reputation of the Company. Each Director 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 Board, Committees, Independent Directors and Individual Director.
- C. Achieve good corporate governance as well as sustained long-term value creation for stakeholders.

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/experience.
- 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.

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 or member of the promoter group of the Company;
- iii. Is not related to Promoters or Directors in the Company, its Holding, Subsidiary or Associate Company;
- iv. Is not a Non-Independent Director of another Company on the board of which any non-independent director of the Company is an Independent Director;
- v. 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;

- vi. 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;
- vii. Neither he nor his relative shall hold the position of 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;
- viii. 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;
- ix. He along with his relatives should not hold two per cent or more of the total voting power of the Company;
- x. 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 percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company;
- xi. Neither he nor his relative should be a material supplier, service provider or customer or a lessor or lessee of the Company;
- xii. Who is not less than 21 years of Age.

CRITERIA FOR EVALUATION:

A. BOARD:

Rating Scale:		
1. Below Expectation	2. Meet Expectation	3. Exceed Expectation
<u>Sl. No.</u>	<u>Evaluation Factors</u>	<u>Rating</u>
1	The Composition of the Board is appropriate and in compliance with the legal requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.	
2	Adequacy of frequency of Board meetings, attendance and participation by the Board members at the board meetings.	
3	The Board has appropriate combination of industry knowledge and diversity.	
4	The Board is providing necessary advice and suggestions to the Company's management.	
5	The Board understands the legal requirements and obligations under which they act as a Board.	
6	The Board reviews the performance of the Company w.r.t. to its business operations and at the stock exchange.	
7	The Board evaluates the strategic plan/policies periodically to assess the company's performance, considers new opportunities and responds to external developments.	
8	The Board appropriately considers Internal Audit report, management response and steps towards improvement.	
9	The Board considers the Independent Audit plan and provides recommendations.	
10	The Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.	

B. AUDIT COMMITTEE:

Rating Scale:		
1. Below Expectation	2. Meet Expectation	3. Exceed Expectation
<u>Sl. No.</u>	<u>Evaluation Factors</u>	<u>Rating</u>
1	The Audit Committee of the Board is appropriately constituted and composition is in compliance with the legal requirement of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.	
2	The frequency of the Committee meetings is adequate.	
3	The Audit Committee oversight the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.	
4	The Audit Committee recommends the appointment, remuneration and terms of appointment of auditors of the Company.	
5	Bringing up concerns, questions and enquiries to ensure transparency of operations, governance, related party transactions and financial reporting.	
6	The Audit Committee reviews the Internal Audit report and recommends necessary steps towards improvement to the Board.	
7	The reporting/ recommendations by the Committee to the Board are sufficient.	

C. NOMINATION AND REMUNERATION COMMITTEE ('NRC')

Rating Scale:		
1. Below Expectation	2. Meet Expectation	3. Exceed Expectation
<u>Sl. No.</u>	<u>Evaluation Factors</u>	<u>Rating</u>
1	The NRC of the Board is appropriately constituted and composition is in compliance with the legal requirement of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.	
2	The terms of reference for the committee are appropriate with clear defined roles and responsibilities.	
3	The frequency of the Committee meetings is adequate.	
4	The NRC is Identifying qualifications, positive attributes and independence of a person who may be appointed as Director or may be appointed in level of Senior Management of the Company.	
5	The reporting/ recommendations by the Committee to the Board is sufficient.	

D. STAKEHOLDERS RELATIONSHIP COMMITTEE ('SRC')

Rating Scale:		
1. Below Expectation	2. Meet Expectation	3. Exceed Expectation
<u>Sl. No.</u>	<u>Evaluation Factors</u>	<u>Rating</u>
1	The SRC of the Board is appropriately constituted and composition is in compliance with the legal requirement of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.	
2	The terms of reference for the committee are appropriate with clear defined roles and responsibilities.	
3	The frequency of the Committee meetings is adequate.	
4	The SRC review the grievances of the shareholders relating to transfer/transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.	
5	The reporting/ recommendations by the Committee to the Board is sufficient, if any.	

E. CHAIRMAN, MANAGING DIRECTOR AND EXECUTIVE DIRECTOR

Rating Scale:		
1. Below Expectation	2. Meet Expectation	3. Exceed Expectation
<u>Sl. No.</u>	<u>Evaluation Factors</u>	<u>Rating</u>
1	The Chairman/Director hold necessary budgeting, finance and operational expertise required to lead the organization.	
2	The Chairman/Director has accurately communicated his concept, vision, mission, strategy, goals, and directions for the Company.	
3	The attendance of Director at the meeting of Board and meetings of Committees of Board, if any.	
4	The Chairman/Director contributes positive inputs into development of strategy, and better governance practices for the Company.	
5	The Chairman/Director has ensured that, the board members and other Senior Management employees had participated in formulation of strategic plan so that they had the ownership of the plans.	
6	The Chairman/Director has ensured that, the company's operations complied with the requirements from all the relevant laws and regulations.	
7	He/she is reporting frauds, violation etc. to the Board/Committees.	
8	He/she have a good understanding of the Company's business as well as industry environment.	
9	The Chairman/Director is providing timely inputs on the minutes of the meetings of the Board and Committee.	

F. NON - EXECUTIVE DIRECTOR:

Rating Scale:		
1. Below Expectation	2. Meet Expectation	3. Exceed Expectation
<u>Sl. No.</u>	<u>Evaluation Factors</u>	<u>Rating</u>
1	Attendance of NED at the meeting of Board and meetings of Committees of Board, if any.	
2	The NED actively participates at the meeting and devotion of sufficient time and attention to the professional obligation.	
3	The NED contributes positive inputs into development of strategy, better governance practices and to risk management of the Company.	
4	The NED's performance and behaviour promotes mutual trust and respect within the Board/ Committee members and senior management.	
5	The NED is updated with the latest developments in areas such as the corporate governance framework and financial reporting	
6	The NED is providing timely inputs on the minutes of the meetings of the Board and Committee's, if any.	
Date:	
Place:	(Name of Director)	

G. INDEPENDENT DIRECTORS:

Rating Scale:		
1. Below Expectation	2. Meet Expectation	3. Exceed Expectation
<u>No.</u>	<u>Evaluation Factors</u>	<u>Rating</u>
1	Attendance of Independent Director at the meeting of Board and meetings of Committees of Board, if any.	
2	The Independent Director listen to the views of others.	
3	The Independent Director actively participates at the meetings and renders independent and unbiased opinions at the meetings.	
4	The Independent Director contributes positive inputs into development of strategy, better governance practices and safeguarding of confidential information of the Company.	
5	The Independent Director is updated with the latest developments in areas such as the corporate governance framework and financial reporting.	
6	The Independent Director is providing timely inputs on the minutes of the meetings of the Board and Committee's.	

- The performance evaluation of Board shall be done by the Independent Directors.
- The performance evaluation of Committee shall be done by the Board of Directors (excluding the Committee Members being evaluated).
- The performance evaluation of Chairman, Managing Director, Non-Executive Director and Executive Director shall be done by the Independent Directors (excluding the director being evaluated).
- 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 and Remuneration Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy.
