

# **Pentokey Organy (India) Limited**

## **Board Performance Evaluation Policy**

The Board of Directors (the "Board") of Pentokey Organy (India) Limited (hereinafter referred as the 'Company') has adopted this Policy as the Board Performance Evaluation (hereinafter referred as "Policy") under the provisions of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the Stock Exchanges.

This Policy provides a framework for governance and reporting of the performance evaluation of the Board of Directors of the Company as defined in this policy.

The provisions of this Policy are designed to govern the disclosure requirements to ensure transparency in the conduct of business activities in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

This Policy is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the Company in an ethical manner. The purpose of this Policy is to recognize and provide mechanisms to report the mechanism of the director's performance and to develop a culture of transparency in the system.

The provisions of this Policy can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/modifications shall take effect from the date stated therein.

Each year the Board of the Company will carry out an evaluation of its own performance. Board performance evaluation is designed to:

- (a) review the pre-determined role of the Board collectively and individual Directors in discharge of duties as set out in the Company from time to time;
- (b) annually assess how well directors are discharging their responsibilities; collectively by assessing the Board's effectiveness; and individually by assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- (c) annually assess the performance of directors in discharging their responsibilities.
- (d) regularly evaluate the Directors' confidence in the integrity towards the Company, the quality of the discussions at Board meetings, the credibility of the reports and information they receive, the level of interpersonal cohesion between Board members and the degree of Board knowledge; and

(e) enable Board members, individually and collectively, to develop the key skills required to meet foreseeable circumstances with timely preparation, agreed strategies and appropriate development goals.

This is achieved by collectively assessing the Board's effectiveness and by individually assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;

#### 1. Definitions & Interpretation

**"Act"** means the Companies Act, 2013 and rules made thereunder as amended from time to time.

**"Board"** means the Board of Directors of the Company for the time being in force.

**"Board Evaluation Committee"** means a committee of Directors constituted by the Board for the purpose as enumerated in this policy.

#### 2. Procedure for Board Performance Evaluation

(a) The Chairperson will meet with the directors either collectively or separately, as he may deem fit, seeking input in relation to:

- 1) the performance of the Board;
- 2) the performance of each Board Committee;
- 3) the performance of the Managing Directors;
- 4) the performance of other Whole Time Directors
- 5) his own performance.

(b) Performance should be assessed quantitatively and qualitatively, as appropriate, based on the strategic plans and the role/ position description.

(c) The Chairperson will collect the input and provide an overview report for discussion by the Board.

(d) The Board as a whole will discuss and analyse the performance collectively of each director individually and its own performance during the year including suggestions for change or improvement, as well as any skills, education or development required over the forthcoming year.

### 3. Procedure for Board Performance Evaluation of Managing Directors and Key Executives of the Company

This Board will ensure that the Managing Directors and key executives will execute the Company's strategy through the efficient and effective implementation of the business objectives. In order to accomplish this:

- a) Each year the Board reviews the Company's strategy.
- b) Following such a review the Board sets the organisation performance objectives based on qualitative and quantitative measures.
- c) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.
- d) These objectives form part of the performance targets as assigned to the Managing Directors.
- e) Performance against these objectives is reviewed annually by the Board.
- f) The Managing Directors are responsible for assessing the performance of the key executives and a report is provided to the Board Evaluation Committee for review.

### 4. External Consultants

The Board or Committee thereof may engage independent external consultants periodically to provide strategic advices and assistance in the evaluation process.

### 5. Disclosure

The provisions of this Policy can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from the date stated therein.

The Committee and/ or Board may review, alter, amend or modify the Policy from time to time in line with the requirement of the Companies Act, 2013, SEBI Regulations or any other statutory provisions applicable to the Company.