



## SRM ENERGY LIMITED

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### **POLICY ON EVALUATION OF PERFORMANCE OF DIRECTORS AND THE BOARD**

#### **1. OBJECTIVE: This Policy aims to:**

- (i) Ensure compliance of the applicable provisions of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges (as amended or re-enacted from time to time) relating to the evaluation of performance of the Directors and the Board
- (ii) adopt best practices to manage the affairs of the Company in seamless manner.
- (iii) achieve good corporate governance as well as sustained long-term value creation for stakeholders.

#### **2. EVALUATION:**

- (i) The Nomination and Remuneration Committee (NRC) shall carry out the evaluation of performance of every Director. The evaluation of performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated. Evaluation performance should be carried out atleast once in a year.
- (ii) While evaluating the performance of the Non Executive Directors (NEDs), the following parameters shall be considered:
  - (a) Attendance at meetings of the Board and Committees thereof,
  - (b) Participation in Board meetings or Committee thereof,
  - (c) Contribution to strategic decision making,
  - (d) Review of risk assessment and risk mitigation,
  - (e) Review of financial statements, business performance.
  - (f) Contribution to the enhancement of brand image of the Company.

(iii) While evaluating the performance of the Managing Director and the Wholetime Director, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company.

(iv) Evaluation of performance shall be carried out at least once a year.

(v) The Company shall provide suitable technical or business related training to the Non-Executive Directors including Independent Directors. Any other need based training shall also be provided.

The evaluation of the Directors and the Board shall be carried out based on the questionnaire and feedback form which forms part as Annexure to this Policy.

## ANNEXURE

### Performance Evaluation Form for Independent Directors

Name of Director: \_\_\_\_\_

Date of Evaluation: \_\_\_\_\_

S.No.	Evaluation Criteria	Max. score	Remarks	Achieved Score
1.	Is the attendance** of Independent Directors at meetings satisfactory?	10	<i>This sub criteria shall ensure the involvement of the Directors in the Company's decision making process. This will also ensure the Directors awareness about the activities and progress of the Company.</i>	
2.	Do the Independent Directors show willingness to spend time and effort learning about the Company and its business?	10	<i>This is to identify the contributions of the individual Director's in the matters with respect to the Law, business and economics, the Company belongs to. This is also to ensure, how the Directors keep himself updated in all these matters.</i>	
3.	How well prepared and well informed the Independent Directors for Board Meetings?	10	<i>Criteria is to ensure that the Directors read and analyse the Company's Documents to make himself well aware about the discussions on the issue relating to the Company and also to add some values in it.</i>	
4.	What has been the quality and value of Independent Director's contributions at Board and Committee Meetings?	10	<i>Criteria to decide the worth of the suggestions and submissions made by any Director on certain issue in the Meetings.</i>	
5.	What has been their contribution to the development of Strategy and risk management?	10	<i>To analyse the concern of the Director with respect to the risk involved in decision making process and strategy to do the safe, secure and</i>	

			<i>progressive business.</i>	
<b>6.</b>	<i>How successfully the Independent Directors brought their knowledge and experience to bear in the consideration of strategy?</i>	<b>10</b>	<i>The Directors contributions in making strategies of the Company, with their updated knowledge in the sector in which Company operates and law relating thereto.</i>	
<b>7.</b>	<i>Where necessary, how resolute are they in holding to their views and resisting pressure from others?</i>	<b>10</b>	<i>Criteria to ensure that the Directors' view is completely independent and do not carried away in the pressure situation and also to ensure how Directors is firm in his opinion.</i>	
<b>8.</b>	<i>How effectively have they followed up matters about which they have expressed concern?</i>	<b>10</b>	<i>Criteria to ensure the seriousness of the Directors of the Company, and also to ensure their concern for the adoption of the opinion being made by them.</i>	
<b>9.</b>	<i>How good are their relationship with other board members, the company secretary and senior management?</i>	<b>10</b>	<i>To ensure that the negative relationship should not affect the Board process and hamper the Company's decision making process.</i>	
<b>10.</b>	<i>How actively and successfully do they refresh their knowledge and skill? 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?</i>	<b>10</b>	<i>To ensure their updating in the knowledge relating to the law, business industry, economic at large.</i>	
<b>11.</b>	<i>How well do they communicate with other board members, senior management and others (e.g. shareholders)?</i>	<b>10</b>	<i>To ensure the flow of Communication with other Board members and senior management on various issues, in the large interest of the Company.</i>	
<b>12.</b>	<i>Can they present their views convincingly, yet diplomatically?</i>	<b>10</b>	<i>The way of representation of the Directors.</i>	
<b>13.</b>	<i>Do they listen to the views of others?</i>	<b>10</b>	<i>To ensure the acceptability of other's views and also to</i>	

			<i>counter the same.</i>	
	<b>Total</b>	<b>130</b>		

**Achieved Score** : \_\_\_\_\_

**Grade Obtained** : \_\_\_\_\_

**Performance Remarks** : \_\_\_\_\_

**Notes:**

1. Scores may be given on a 10 point scale.
2. \*\*Score for attendance be calculated as follows:  
  
(No. of Meetings attended ÷ No. of meetings held during the period under review) \* 10
3. On the Basis of the Total Score obtained out of 130 by the Director being evaluated, Grades be assigned to him/her in the following manner:

<b>Score Range</b>	<b>Grade</b>	<b>Performance Remarks</b>
121-130	A+	Excellent
101-120	A	Very Good
81-100	B+	Good
61-80	B	Average
40-60	C	Poor

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**(Chairman)**