

SHRI RATHI STEEL LTD.

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BOARD EVALUATION POLICY

Performance evaluation of Directors and Board as a whole and its committees to be carried out from Financial Year 2021-22 onwards:

1. Background: The board of directors (the "Board") of Shri Rathi Steel Limited has, on basis of the recommendation of the Nomination and Remuneration Committee, adopted this Board evaluation policy ("Policy").

2. Object: The Policy has been framed with an objective to ensure individual directors of the Company ("Directors") and the Board as a whole, work efficiently and effectively in achieving their functions, for the benefit of the Company and its stakeholders. Accordingly, the Policy provides guidance on evaluation of the performance, on an annual basis, of:

- (i) Individual Directors (including independent directors of the Company
- (ii) the Board as a whole; and (iii) various committees of the Board ("Board Committees").

3. Manner of Evaluation: The Nomination and Remuneration Committee ("NRC") shall carry out the evaluation of performance of every Director.

The NRC may refer report of Independent Director Committee to evaluate performance of Non- Independent Directors.

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 in the same way as it is for the Executive Directors of the Company except the Director getting evaluated.

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular Director:

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual Directors as, such evaluation factors may vary in accordance with their respective functions and duties.

Appraisal of each Director of the Company shall be based on Satisfactory or Non Satisfactory Performance.

The Company has chosen to adopt the following Board Performance Evaluation Process:

FOR INDEPENDENT DIRECTOR

CRITERIA OF EVALUATION: Each of the questions Shall be answered in the following two options:

1. YES
2. No

EVALUATION BASED ON PROFESSIONAL CONDUCT

- 1) Whether ID upholds ethical standards of integrity and probity?
- 2) Whether ID acts objectively and constructively while exercising their duties?
- 3) Whether ID exercises his/her responsibilities in a bona fide manner in the interest of the Company?
- 4) Whether ID devotes sufficient time and attention to his/her professional obligations for informed and balanced decision making?
- 5) Whether ID not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making?
- 6) Whether ID does not abuse his/her positions to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person?

- 7) Whether ID refrains from any action that would lead to loss of his/her independence?
- 8) Where circumstances arise which make an independent director lose his/her independence, whether the independent director has immediately informed the Board accordingly?
- 9) Whether ID assists the Company in implementing the best corporate governance practices?

EVALUATION BASED ON ROLE AND FUNCTIONS

- 10) Whether ID helps in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct?
- 11) Whether ID brings an objective view in the evaluation of the performance of Board and management?
- 12) Whether ID scrutinises the performance of management in meeting agreed goals and objectives and monitor the reporting of performance?
- 13) Whether ID satisfies himself/herself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible?
- 14) Whether ID has taken actions to safeguard the interests of all stakeholders, particularly the minority shareholders?
- 15) Whether IDs balances the conflicting interest of the stakeholders?
- 16) Whether ID during the Board/ Committee meetings along with other members determines appropriate levels of remuneration of executive directors, key managerial personnel and senior management have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management?
- 17) Whether ID moderates and arbitrates in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest?

EVALUATION BASED ON DUTIES

- 18) Whether ID undertakes appropriate induction and regularly update and refresh his/her skills, knowledge and familiarity with the Company?

- 19) Whether ID seeks appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts?
- 20) Whether IDs strive to attend all meetings of the Board of Directors and of the Committees of which he/she is a member?
- 21) Whether ID participates constructively and actively in the Committees of the Board in which he/she is chairperson or member?
- 22) Whether ID strives to attend the general meetings of the Company?
- 23) Where ID has concerns about the running of the Company or a proposed action, whether he/she ensures that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting?
- 24) Whether ID does not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board?
- 25) Whether ID gives sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure himself/herself that the same are in the interest of the Company?
- 26) Whether ID ascertains and ensures that the Company has an adequate and functional vigil mechanism and also ensures that the interests of a person who uses such mechanism are not prejudicially affected on account of such use?
- 27) Whether ID reports concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct?
- 28) Whether ID acts within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees?
- 29) Whether ID does not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law?

Comments on overall performance:_____

NON -INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS

EVALUATION BASED ON PROFESSIONAL CONDUCT

- 1) Whether director upholds ethical standards of integrity and probity?
- 2) Whether director acts objectively and constructively while exercising their duties?
- 3) Whether director exercises his/her responsibilities in a bona fide manner in the interest of the Company?
- 4) Whether director devotes sufficient time and attention to his/her professional obligations for informed and balanced decision making?
- 5) Whether director does not abuse his/her positions to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person?
- 6) Whether director refrains from any action that would lead to loss of his/her independence?
- 7) Whether director assists the Company in implementing the best corporate governance practices?

EVALUATION BASED ON ROLE AND FUNCTIONS

- 8) Whether director satisfies himself/herself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible?
- 09) Whether director has taken actions to safeguard the interests of all stakeholders, particularly the minority shareholders?
- 10) Whether director balances the conflicting interest of the stakeholders?
- 11) Whether director during the Board/ Committee meetings along with other members determines appropriate levels of remuneration of executive directors, key managerial personnel and senior management have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management?

12) Whether director moderates and arbitrates in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest?

EVALUATION BASED ON DUTIES

13) Whether director undertakes appropriate induction and regularly update and refresh his/her skills, knowledge and familiarity with the Company?

14) Whether director seeks appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts?

15) Whether director strive to attend all meetings of the Board of Directors and of the Committees of which he/she is a member?

16) Whether director participates constructively and actively in the Committees of the Board in which he/she is chairperson or member?

17) Whether director strives to attend the general meetings of the Company?

18) Where director has concerns about the running of the Company or a proposed action, whether he/she ensures that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting?

19) Whether director does not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board?

20) Whether director gives sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure himself/herself that the same are in the interest of the Company?

21) Whether director ascertains and ensures that the Company has an adequate and functional vigil mechanism and also ensures that the interests of a person who uses such mechanism are not prejudicially affected on account of such use?

22) Whether director reports concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct?

23) Whether director acts within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees?

24) Whether director does not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law?

Comments on overall performance: _____

COMMITTEES OF BOARD

For evaluating the performance of each Committee, the Board of Directors shall pay regards to the following aspects as set out in the annexure below:

1. Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues
2. Timely inputs on the Minutes of the Meetings

SHRI RATHI STEEL LTD.
For Shri Rathi Steel Limited



Gopal Rathi
Director
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