

ICDS LIMITED

REGD.OFFICE: SYNDICATE HOUSE, MANIPAL 576 104 KARNATAKA (IN)

CIN: L65993KA1971PLC002106

POLICY FOR EVALUATION OF BOARD PERFORMANCE

1. Preamble:

The Company conducts its operation under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly the Companies Act, 2013 (“**Act**”), the Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).

The Company’s Board of Directors are dedicated to act in good faith, exercise their judgment on an informed basis and in the best interest of the Company and its stakeholders. This Policy is made to comply with the provisions of formal annual evaluation made by the Board of Directors of its own performance (self-appraisals) and that of its committees and individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Companies Act, 2013. Further, Section 178 of the Act provides that the Nomination and Remuneration Committee (“**NRC**”) shall *inter-alia* carry out evaluation of every director’s performance.

In order to comply with the above requirement this policy on performance evaluation is put into place. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

2. Definitions:

“**Act**” shall mean the Companies Act, 2013, Companies Act, 1956 (to the extent applicable) and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re- enactment thereof.

“**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.

“**Company**” shall mean ICDS Limited.

“**Committee**” shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

“**Independent Director**” shall mean a person appointed as independent director in accordance with the provisions of the Act.

“**Policy**” shall mean this Policy for Evaluation of performance of Board of Directors of the Company, as adopted by the Board from time to time.

3. Rating evaluation:

The performance evaluation of the Non-Executive/Independent directors, Whole time/Managing Director(s), Director (s) shall be done on the basis of the criteria mentioned herein below.

4. Rating Scale:

Scale	Performance
1	Unsatisfactory
2	Satisfactory
3	Good
4	Very Good
5	Outstanding

5. Evaluation Process for the Board:

The Board of Directors of the Company will carry out an evaluation of its own performance on an annual basis. The Board evaluation process is designed to:

- i. Review the pre-determined role of the Board collectively and individual directors in discharging duties as set by the Company from time to time.
- ii. Annually assess how well directors are discharging their responsibilities, collectively by assessing the Board's effectiveness and individually by assessing the quality of a Directors' contribution to general discussion, business proposals and governance responsibilities.
- iii. Annually assess the performance of directors in discharging their responsibilities.

6. Evaluation process for the Non-Executive /Independent Directors:

The performance evaluation of Non-Executive/Independent Directors shall be done based on the following criteria:

Sr. No	Assessment Criteria
1	Attendance and participation in the discussion at the Meetings.
2	Adherence to the Code for independent Directors as applicable.
3	Understanding the environment in which the company operates and contribution to strategic decision
4	Contribution for resolving the issues at the meeting and raising valid concerns at the Board
5	Interpersonal relations with other directors and management
6	Objective evaluation of Board's performance, rendering independent unbiased opinion.
7	Safeguarding of confidential information

Based on the aforesaid criteria, each of the independent directors has to be assessed by the other directors (including other independent directors) by giving a rating mentioned above. The

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

7. Evaluation process for Whole-time/Managing Director(s) and Executive Director(s):

The performance evaluation of Whole-time/Managing Directors and Executive Director(s) shall be done based on the following criteria:

Sr. No	Assessment Criteria
1	Attendance and participation in the discussion at the Meetings.
3	Contribution to the growth of the Company
4	Leadership initiative like new ideas and planning towards the growth of the Company.
5	Initiating steps for development of business
6	Compliance with policies, reporting of frauds, violation etc. and disclosing disclosure of interest.
7	Team work attributes and supervising and training of staff members.
8	Safeguarding the interest of whistle blowers under vigil mechanism and safeguarding of confidential information

Based on the criteria each of the Whole-time/Managing Directors and Executive Director (s) has to be assessed by giving a rating mentioned above. The performance evaluation of such directors shall be done by the Nomination and Remuneration Committee (excluding the director being evaluated). This process of evaluation will also be done by the Independent Directors separately at their meetings.

8. Evaluation Process for Committees:

The evaluation process for committees shall *inter alia* be based upon the following:

- (a) Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed?
- (b) Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable?
- (c) Whether regular committee meetings, as may be required, are being held?

9. Evaluation Process for the Chairperson:

The criteria for evaluation of the performance of the Chairperson shall *inter alia* include the following:

- (a) Whether the Chairperson has the ability to function as an effective team member?
- (b) Whether the Chairperson is sufficiently committed to the Board and its meetings?
- (c) Whether the Chairperson is impartial in conducting discussions, seeking views and dealing with dissent?
- (d) Whether the Chairperson actively takes initiative with respect to various areas?

10. External consultants:

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

11. Disclosure:

As required under the Listing Regulations and Companies Act, 2013, the Company will disclose the criteria for performance evaluation as laid down by the Nomination and Remuneration Committee in the Annual Report. A statement indicating the manner in which the performance evaluation has been made by the Board of Directors of its own performance and that of its Committees and individual directors will be disclosed in the Directors' Report.

12. Review:

The Board of Directors reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the requirements of the Company.