

SHIVA PHARMACHEM LIMITED
POLICY FOR EVALUATION OF THE PERFORMANCE
OF THE BOARD OF DIRECTORS

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**Policy for Evaluation of the Performance of the
Board of Directors**

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[Pursuant to Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3) of the Companies Act, 2013]

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) contain broad provisions on Board Evaluation i.e. evaluation of the performance of:

- (i) The Board as a whole,
- (ii) Individual Directors (including Independent Directors and Chairperson) and
- (iii) Various Committees of the Board.

The provisions also specify responsibilities of various persons / committees for conduct of such evaluation and certain disclosure requirements as a part of the listed entity's corporate governance obligations.

The Companies Act, 2013 and SEBI LODR provide for several **mandatory provisions** for Board Evaluation, as mentioned below:

- It is one of the Key functions of the Board of Directors to Monitoring and reviewing Board of Director’s evaluation framework as per **Regulation 4(2)(f)(ii)** of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Role and responsibility of **Nomination and Remuneration Committee** for Board evaluation process as per **Section 178(2)** of the Companies Act, 2013 and **Schedule II (PART D)** of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Role, Functions And Conduct of meeting of Independent Directors to review the performance of various members of the Board as per **Schedule IV** of the Companies

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Act, 2013 and 25 (3) and (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Section 134(3)** of the Companies Act, 2013 r.w. **Rule 8 (4) of the Companies (Accounts) Rules, 2014 and Schedule V: Corporate Governance Report** SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the listed entity shall mandatorily disclose statements in annual report.

1. SCOPE

In view of the same, this “Policy for Evaluation of the Performance of the Board of Directors” of ‘**Shiva Pharmachem Limited**’ (“the Company” or “SPL”) is framed to evaluate and improve their overall performance as well as corporate governance standards to benefit all stakeholders as also the regulatory requirements in compliance with Regulations of the SEBI (LODR) Regulations and provisions of the Companies Act, 2013.

2. OBJECTIVE :-

The object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

3. SUBJECT OF EVALUATION

As required under SEBI LODR and Companies Act, the evaluation of the Board involves multiple levels:

1. Board as a whole
2. Committees of the Board
3. Individual Directors and Chairperson (including Chairperson, CEO, Independent Directors, Non-independent directors, etc.)

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4. RESPONSIBILITY

a. Responsibility of the Board

It shall be the duty of the chairperson of the board, who shall be supported by a Company Secretary to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the Director and Committee's effectiveness, to maximise their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis.

- ✓ The Board as a whole shall discuss and analyse its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.
- ✓ Review performance evaluation reports of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirement of establishing any new committees shall be reviewed by the Board on an annual basis.
- ✓ Review the various strategies of the company and accordingly set the performance objectives for Directors.
- ✓ Ensure that adequate disclosure is made with regard to performance evaluation in the Board's Report.

b. Responsibility of the Nomination & Remuneration Committee

It shall evaluate the performance of individual Directors of the Company as per its terms of Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013.

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3. Responsibility of Independent Directors

Independent Directors are duty bound to evaluate the performance of non-independent directors and Board as a whole. The Independent Directors of the Company shall hold at least one meeting in a year to review the performance of non-independent directors, performance of the Chairperson of the Company and Board as a whole, taking into account the views of executive directors and non-executive directors.

The Independent Directors at their separate meeting shall

- ✓ Review the performance of non-independent directors and the board as a whole,
- ✓ Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- ✓ Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Evaluation of Independent Director shall be carried on by the entire Board of Directors of the Company except the Director being evaluated.

5. POLICY REVIEW

Subject to the approval of Board of Directors, the “Nomination and Remuneration Committee” reserves the right to review and amend this policy, if required, to ascertain its appropriateness as per the needs of the company. The Policy may be amended at a meeting of the Nomination and Remuneration Committee.

6. DISCLOSURE

In accordance with the requirement under the Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, individual director’s performance will be made by the Board of Directors in the Board’s Report. Further, the Board’s Report containing such statement will be made available for the review of shareholders at the general meeting of the Company. The Policy has been made available on Company’s official website and the key features of this Policy have also in the annual report of the Company.

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7. CRITERIA OF EVALUATION:

A. Evaluation of Board as whole

1. Structure of the Board

- ✓ Competency of directors
- ✓ Experience of directors
- ✓ Mix of qualifications
- ✓ Diversity in Board
- ✓ Appointment to the Board

2. Meetings of the Board

- ✓ Regularity of meetings
- ✓ Logistics
- ✓ Agenda
- ✓ Discussions and dissent
- ✓ Recording of minutes
- ✓ Dissemination of information

3. Functions of the Board

- ✓ Role and responsibilities of the Board
- ✓ Strategy and performance evaluation
- ✓ Governance and compliance:
- ✓ Evaluation of Risks
- ✓ Grievance redressal for Investors
- ✓ Conflict of interest
- ✓ Stakeholder value and responsibility
- ✓ Corporate culture and values
- ✓ Review of Board evaluation

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- ✓ Facilitation of independent directors

4. Board and management

- ✓ Evaluation of performance of the management and feedback
- ✓ Independence of the management from the Board
- ✓ Access of the management to the Board and Board access to the management
- ✓ Succession plan

B. Evaluation of Committees of the Board

- ✓ Mandate and composition
- ✓ Effectiveness of the Committee
- ✓ Structure of the Committee and meetings
- ✓ Independence of the Committee from the Board
- ✓ Contribution to decisions of the Board

C . Evaluation of Individual Directors and Chairperson

1. General

- ✓ Qualifications
- ✓ Experience
- ✓ Knowledge and Competency
- ✓ Fulfillment of functions
- ✓ Ability to function as a team
- ✓ Integrity

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2. Additional criteria for Independent director

- ✓ Independence
- ✓ Independent views and judgments

3. Additional criteria for Chairperson

- ✓ Effectiveness of leadership and ability to steer the meetings
- ✓ Impartiality
- ✓ Commitment
- ✓ Ability to keep shareholders' interests in mind

This policy was adopted on 03/04/2023