



EMAMI FRANK ROSS LIMITED

PERFORMANCE EVALUATION POLICY OF BOARD AND INDIVIDUAL DIRECTORS

1. PREAMBLE

Good governance envisages a continuous process of planning, setting directions, monitoring progress, evaluating performance, and accessing results. As part of this process it would be imperative for the Board of Directors of Emami Frank Ross Limited (the Company) to evaluate the Board's Collective and Individual performance on an annual basis.

The evaluation process is intended to assess the collective performance of the Board and the effectiveness of the Board in fulfillment of its principal responsibility of ensuring corporate governance.

2. PURPOSE AND SCOPE

Each year the board of directors (the Board) of the Company will carry out an evaluation of its own performance and also of individual director. Performance evaluation is designed to:

- (a) Review the pre-determined role of the Board and individual Directors;
- (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) Regularly evaluate the Directors' confidence in the integrity of 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
- (d) Enable Board members, individually and collectively, to develop the key skills required to meet foreseeable requirements with timely preparation, agreed strategies and appropriate development goals.





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3. PROCEDURE OF EVALUATION

There shall be three categories of evaluation:

- Evaluation of Performance of Board including Chairman
- Evaluation of performance of Executive Directors
- Evaluation of performance of Non Executive and Independent Directors

Factors

The Board of Directors may consider the detailed below 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, Independent Directors and Non- Independent Executive Directors, and therefore evaluation factors may vary in accordance with their respective functions and duties.

Rating Scale for Directors/KMP/Secretary

Performance	Rating Scale (i)	Performance	Rating Scale (ii)
Most Effective	5	Excellent	90 and above
-	4	Very Good	75-89
-	3	Good	60-74
-	2	At par	35-59
Least Effective	1	Below par	Less than 35

Criterion

Criterion for evaluation of performance of Board

The primary survey shall be the Annual Board Performance evaluation. It shall cover following three broad areas of Board accountability.

- Board responsibilities;
- Board operations
- Board effectiveness.

The performance evaluation of the Board shall be done by the Independent Directors





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Criterion for evaluation of performance of Independent Directors

Compliance with Articles of Association, Companies Act & other laws
Compliance with ethical standards and Code of Conduct of Company
Assistance in implementing corporate governance practices
Rendering independent, unbiased opinion
Attendance and presence in meetings of Board and Committees
Attendance and presence in general meetings
Leadership qualities
Qualifications
Disclosure of non –independence, if exists
Independent view on key appointments and strategy formulation
Objective evaluation of Board's performance
Review of integrity of financial information and risk management
Safeguard of stakeholders' interests
Updation of skills and knowledge
Punctuality
Information regarding external environment
Seeking expert opinion, when required
Raising of concerns to the Board
Safeguarding interest of whistle- blowers under vigil mechanism
Team work attributes
Safeguard of confidential information.

The performance evaluation of non executive independent directors shall be done by entire board of directors (excluding the director being evaluated).

Criterion for evaluation of performance of Chairman and other Executive Directors

Compliance with Article of Association, Companies Act and other laws
Strategic planning –financial & business
Monitoring Performance against plans
Compliance with ethical standards & code of conduct
Exercising duties diligently
Qualifications and Experience
Punctuality
Disclosure of interest
Leadership skills
Motivating employees, providing assistance & directions

The performance evaluation of the Chairman and Executive directors shall be done by the independent Director.

4. METHODS OF CARRYING PERFORMANCE EVALUATION

The performance evaluation of Board and individual Director can be carried out by adopting any of the following method:





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In-house evaluation

In-house evaluation facilitated by external provider

Evaluation carried out entirely by external provider

5. SUPPORT

The Secretarial and legal department is responsible for providing the support necessary to carry out the above evaluation and to report to the Board on the results of the surveys, recommending follow-up action as required.

6. REVIEW

Subject to the approval of Board of Directors, the Nomination and Remuneration Committee reserves its 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 by passing a resolution at a meeting of the Nomination and Remuneration Committee.

7. DISCLOSURE

In accordance with the requirement under the Act/Listing Agreement, disclosure regarding the criterion for performance evaluation, qualification, positive attributes and independence will be made by the Board of Directors in the Board 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.

