

NITYAS GEMS AND JEWELLERY LIMITED
**(Formerly known as Nityas Gems and Jewellery
Private Limited)**

**POLICY FOR EVALUATION OF THE
PERFORMANCE OF THE BOARD OF DIRECTOR**

1. INTRODUCTION

The Company **NITYAS GEMS AND JEWELLERY LIMITED (Formerly known as Nityas Gems and Jewellery Private Limited)** is required to adhere to the regulations made both by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing of the company. Where any stipulation is common between the regulations, more stringent of the two shall be complied with.

As one of the most important functions of the Board of Directors is to oversee the functioning of company's top management, this policy aims at establishing a procedure for conducting periodical evaluation of directors' performance and formulating the criteria for determining qualification, positive attribute and independence of each and every director of the company in order to effectively determine issues relating to remuneration of every director, key managerial personnel and other employees of the company. This policy further aims at ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties. In addition, the Nomination and Remuneration Committee shall carry out the evaluation of performance of every director in accordance with the criteria laid down.

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. Board of Directors involves board members undertaking a constructive but critical review of their own performance, identifying their strengths and weaknesses. To enable Directors of the Company for evaluating their individual performance, as well as collective performance of the Board.

3. SCOPE OF EVALUATION

The scope of the evaluation extends to Directors including Independent Directors, the Executive Chairman, the Managing Director / Whole Time Directors and to Key Executives on the basis of the Criteria set forth by the Nomination and Remuneration Committee. The Key Executives shall mean all the Executives to the level of the President and above.

4. PERFORMANCE EVALUATION

It shall be the duty of the chairperson of the Nomination and Remuneration Committee to organize the evaluation process including Self-evaluation as they may consider fit and accordingly conclude the steps required to be taken. The criteria to evaluate encompasses three broad factors namely i) contribution ii) counselling and iii) controlling.

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.
- Evaluate the quality of the discussions at Board meetings, the adequacy of the reports and information they receive, the level of interpersonal cohesion amongst the Board members;

5. RESPONSIBILITY OF THE NOMINATION & REMUNERATION COMMITTEE

It shall evaluate the performance of individual Directors of the Company as per terms and criteria while aligning it with the requirements of Companies act and listing regulations. The committee shall prepare a report on the performance of the board upon completion of the financial year.

6. CHAIRMAN

The performance of the Chairman be evaluated, amongst other things, on the basis of leadership qualities, strategic thinking, decision making, business acumen, contribution to resolution of divergent views, time commitment, interaction with management, relationships and communications with the Stakeholders.

7. NON-EXECUTIVE DIRECTOR

The performance of Non-Executive Director be evaluated, amongst other things, on the basis of strategic thinking, business acumen, teamwork, contribution to resolution of divergent views, proactive participation, and time commitment. The performance of the Individual Director's will also be assessed on handling the conflict of interest/situation, if any.

8. INDEPENDENT DIRECTOR

The performance evaluation of Non-Executive Independent Director shall be done by the entire board of director, excluding the director being evaluated.

Independent directors have key roles to perform namely in the areas of governance, guiding in strategy formulation, ensuring statutory compliances and such other key matters which could be important to the Company, some of the performance indicators on which the independent Directors may be evaluated are

- Contributing and monitoring of Corporate Governance practices.
- Attendance at Board, Committee Meetings of the Company, etc.
- Making aware of international best practices for improvement.
- Active participation in strategic planning.
- Commitment to the fulfilment of duties and fiduciary responsibilities as enshrined in various statutes and charter of Committees.
- Not allowing any extraneous considerations that will vitiate his 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.
- Refraining from any action that would lead to loss of his independence.
- Maintain confidentiality of information provided, unless such disclosure is expressly required by law.

9. RESPONSIBILITY OF INDEPENDENT DIRECTOR

Independent Directors shall 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 meetings shall:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) 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 getting evaluated.

10. 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 directors' 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.

11. REVIEW

This policy shall be reviewed from time to time so that the policy remains compliant with applicable legal requirements. The Board of Directors of the Company, subject to applicable laws, is entitled to amend, suspend or rescind this Policy at any time in line with the Listing Regulations. In case of any conflict between this policy and Act, Rules or Regulations or any other law as may be applicable such law shall prevail.

The updated policy shall be continuously hosted on the website of the company.
