

**“POLICY FOR ANNUAL EVALUATION OF  
PERFORMANCE OF THE BOARD, ITS  
COMMITTEES AND DIRECTORS”**

**REGAAL RESOURCES LIMITED**

**APPROVED BY BOARD  
ON 02-09-2023**

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## **1. INTRODUCTION**

The “Performance Evaluation Policy” is for evaluating the performance of the Board of Directors of Regaal Resources Limited (“Company”) and is adopted by the Board, basis the recommendation of the Nomination and Remuneration Committee, as per statutory requirements under Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). The Policy is based on the SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation (“SEBI Guidance Note”).

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, and the SEBI Listing Regulations; the Articles of Association, internal code of conduct and policies formulated by the Company for its internal execution or as per other applicable laws.

The Company’s Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis and in the best interest of the Company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides that a policy is to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board as a whole and performance of the Committee of the Board shall be assessed by the Board of Directors of the Company.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company’s top management, this Board Performance Evaluation process aims to ensure that individual directors (“Directors”) and the Board of Directors of the Company (“Board”) and its committees as a whole work efficiently and effectively in achieving Company’s objectives. This policy aims at establishing a procedure for the Board to conduct periodic evaluation of its own performance and of its committees and individual directors.

## **2. EFFECTIVENESS OF THE BOARD**

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company. It will be ensured that the remuneration is determined in such a way there exists a fine balance between fixed and incentive pay, if any approved as per the provisions of the Companies Act, 2013 or as amended.

## **3. RESPONSIBILITY OF BOARD/ INDEPENDENT DIRECTOR**

It shall be the duty of the Company 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 Directors’ and committees’ effectiveness, to maximize their strength and to tackle their shortcomings. The Board of Directors shall undertake the following activities on an annual basis:

- I. Review the various strategies of the Company and accordingly set the performance objectives for Directors, consistent with the varying nature and requirements of Company’s business.
- II. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives. In conformity with the requirement of the Act, the performance evaluation of all the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. Independent Directors are required 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 exercise the functions as mentioned in Act and its applicable Schedules.

## **4. EVALUATION FACTORS**

The Nomination and Remuneration Committee (“NRC”) shall carry out the evaluation of performance of every Director. 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. Evaluation performance should be carried out at least once in a year.

While evaluating the performance of the Non-Executive Directors (NEDs), the following parameters shall be considered:

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- (a) Attendance at meetings of the Board and Committees thereof,
- (b) Participation in Board Meetings or Committee thereof,
- (c) Contribution to strategic decision making,
- (d) Review of risk assessment and risk mitigation,
- (e) Review of financial statements, business performance.
- (f) Contribution to the enhancement of the brand image of the Company.

While evaluating the performance of the Chairman and Managing Director, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company.

**The evaluation scale is a simple three-point scale i.e.**

Below Expectations (1),  
Meets Expectations (2) and  
Surpasses Expectations (3).

Appraisal of each Director of the Company by the other Directors shall be based on the criteria as mentioned herein below.

#### **Rating Scale**

3 Performance Surpasses Expectations  
2 Meets Expectations  
1 Below Expectations

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

#### **A. INDEPENDENT DIRECTORS**

Some of the specific issues and questions that should be considered in the performance evaluation of an Independent Director, (the exercise in which the concerned director being evaluated shall not be included) are set out below:

<b>S. No.</b>	<b>Assessment Criteria</b>
1	Attendance and participations in the Meetings and timely inputs on the minutes of the meetings
2	Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest
3	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
4	Interpersonal relations with other directors and management
5	Objective evaluation of Board's performance, rendering independent, unbiased opinion
6	Understanding of the Company and the external environment in which it operates and contribution to strategic direction
7	Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information
9	Initiative in terms of new ideas and planning for the Company

Based on the above criteria each of the Independent Directors has to be assessed by the other directors (including other Independent Directors) by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total of the ratings so awarded will be averaged over the number of persons who have awarded the rating.

Assistance in conducting the process of evaluation shall be provided by a person as authorized by the Board and for this purpose, such person shall report to Board.

## **B. WHOLE TIME DIRECTORS / CHAIRMAN AND MANAGING DIRECTOR**

Some of the specific issues and questions that should be considered in a performance evaluation of Whole-Time Directors/ Chairman and Managing Director are set out below.

<b>S. No.</b>	<b>Assessment Criteria</b>
1	Attendance and participations in the Meetings and timely inputs on the minutes of the meetings
2	Contribution towards growth of the Company including actual vis-a-vis budgeted performance
3	Leadership initiative, like new ideas and planning towards growth of the Company and steps initiated towards Branding of the Company
4	Adherence to ethical standards & code of conduct of Company, reporting of frauds, violations, etc
5	Team work attributes and supervising & training of staff members
6	Compliance with policies, Reporting of frauds, violation etc. and disclosure of interest
7	Safeguarding of interest of whistle blowers under vigil mechanism and safeguard of confidential information
8	Professional skills, problem solving, and decision making

Based on the above criteria each of the Non – Independent Directors / CMD / WTD has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of ratings awarded will be averaged over the number of persons who have awarded the rating.

This process of evaluation shall be done by Independent Directors only. Assistance in handling the process will be provided by a person so authorized by the Board, and for this purpose, the person will report to the Board.

## **C. NON INDEPENDENT AND NON EXECUTIVE DIRECTORS**

Some of the specific issues and questions that should be considered in a performance evaluation of Non-Independent Director and Non-Executive Directors are set out below.

<b>S. No.</b>	<b>Assessment Criteria</b>
1	Attendance and participations in the Meetings and timely inputs on the minutes of the meetings
2	Providing new ideas and planning towards growth of the Company
3	Adherence to ethical standards & code of conduct of Company
4	Compliance with policies, Reporting of frauds, violation etc. and disclosure of interest
5	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
6	Interpersonal relations with other directors and management
7	Objective evaluation of Board's performance, rendering independent, unbiased opinion
8	Understanding of the Company and the external environment in which it operates and contribution to strategic direction
9	Safeguarding of interest of whistle blowers under vigil mechanism and safeguard of confidential information

Based on the above criteria each of the Non – Independent Directors -Non Executive Directors has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of ratings awarded will be averaged over the number of persons who have awarded the rating.

This process of evaluation shall be done by all Directors. Assistance in handling the process will be provided by a person so authorized by the Board, and for this purpose, the person will report to the Board.

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#### **D. BOARD AS WHOLE**

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by the Independent Directors are set out below:

<b>S. No.</b>	<b>Assessment Criteria</b>
1	Is the composition of the board appropriate with the right mix of knowledge and skills required to drive Companies performance in the light of future strategy?
2	Members of the Board meet all applicable independence requirements
3	The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations
4	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
5	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law and The Board is provided with sufficient information about material risks and problems that affects the Company's business and prospects
6	The Board receives regular financial updates and reviews the Company's performance on a regular basis to assess that Company operations are being carried out as per the stated mission of the Company.
7	Are sufficient numbers of board meetings, of appropriate length, being held to enable proper consideration of issues?
8	The information provided to directors prior to Board meetings meets expectations in terms of length and level of detail and Board members come prepared to meetings and ask appropriate questions of management and address issues that might present a conflict of interest.
9	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution
10	The Chairman of the Board effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.
11	Nomination and appointment of Board members and their Remuneration follow clearly established procedures using known criteria as laid down by the Nomination and Remuneration Committee.
12	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance
13	Company has a system for Corporate Social Responsibility, Stakeholder Relationships and for prohibition of insider trading
14	Company has necessary Committees which are required and these Committees are working effectively
15	The Board of Directors is effective in providing necessary advice and suggestions to the Company's management
16	The Board of Directors of the Company is effective in decision making.
17	Is the Board as a whole up to date with latest developments in the regulatory environment and the market?
18	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.

Based on the above criteria Board has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation of Board as a whole shall be done by all Directors. Assistance in the process will be provided by a Company Secretary and for this purpose the person will report to the Board.

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#### **E. COMMITTEES OF THE BOARD**

Some of the specific issues and questions that should be considered in a performance evaluation are set out below:

<b>S. No.</b>	<b>Assessment Criteria</b>
1	Is the composition of the Committee appropriate with the right mix of knowledge and skills required to drive Companies performance in the light of future strategy?
2	Members of the Committee meet all applicable independence requirements
3	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues
4	Timely inputs on the Minutes of the Meetings
5	Are sufficient numbers of Committee meetings, of appropriate length, being held to enable proper consideration of issues
6	The Chairman of the Committee effectively and appropriately leads and facilitates the meetings and the policy and governance work.
7	Company has necessary Committees which are required and these Committees are working effectively

Based on the above criteria Committee has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done by all Directors. The performance of the Committees of the Board shall also be reviewed from time to time.

#### **5. REVIEW**

The performance evaluation process and related tools will be reviewed by the “Nomination and Remuneration Committee” on need basis, and the Committee may periodically seek independent external advice in relation to the process.

The committee may amend the 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.

#### **6. DISCLOSURE**

Company will disclose details of its Board Performance Evaluation processes in its Board’s report and the key features of this Policy would also be included in the corporate governance statement contained in the annual report of the Company. Further, the Board’s report containing such statement will be made available to shareholders at the general meeting of the Company.

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