

KAVERI SEED COMPANY LIMITED

CIN: L01120TG1986PLC006728

Registered Off: 513-B, 5th Floor, Minerva Complex,
S.D. Road, Secunderabad-500003

BOARD EVALUATION POLICY

➤ **Introduction :**

Performance evaluation is a key means by which boards can recognize and correct corporate governance problems and add real value to their organizations. Clearly, board evaluations can contribute significantly to performance improvements at three levels: the organizational, board and individual director level.

The Board evaluation sets the standards of performance and improves the culture of collective action by Board. Evaluation also improves teamwork by creating better understating of Board dynamics, board-management relations and thinking as a group within the board. It helps to maximize board/director contribution by encouraging participation in meetings and highlighting the skill gaps on the Board and those of individual members. Directors demonstrate commitment to improvement, based on the feedback provided on individual and collective skill gaps.

➤ **Purpose :**

The purposes of the Board evaluation can be enumerated as under:

- Improving the performance of Board towards corporate goals and objectives.
- Assessing the balance of skills, knowledge and experience on the Board.
- Identifying the areas of concern and areas to be focussed for improvement.
- Identifying and creating awareness about the role of Directors individually and collectively as Board.
- Building Team work among Board members.
- Effective Coordination between Board and Management.
- Overall growth of the organisation.



➤ **Objectives :**

This Policy aims to:

- Ensure compliance of the applicable provisions of the Companies Act, 2013 (the Act) relating to the evaluation of performance of the Directors and the Board.
- Adopt best practices to manage the affairs of the Company in seamless manner.
- Achieve good corporate governance as well as sustained long-term value creation for stakeholders.
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➤ **Roles :**

The Independent Directors, Nomination & Remuneration Committee and the Board as a whole are responsible for carrying out evaluation in the following manner:

1. 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 meetings 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.

2. Nomination & Remuneration Committee

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

3. Board of Directors

It shall be the duty of the chairperson of the board, who shall be supported by a Company Secretary to organise 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 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 analyze 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.

➤ Evaluation:

1. Evaluation of the Board

The broad parameters for reviewing the performance of the Board, inter alia, shall contain the following:

- Development of suitable strategies and business plans at appropriate time and its effectiveness;
- Implementation of robust policies and procedures;
- Size, structure and expertise of the Board;
- Oversight of the Financial Reporting Process, including Internal Controls;
- Willingness to spend time and effort to learn about the Company and its business; and
- Awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.



The Independent Directors at their separate meeting shall also 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.

2. Evaluation of Individual Director(s)

i. Evaluation of Managing Director / Whole time Director / Executive Director

The broad parameters for reviewing the performance of Managing Director/Executive Director are:

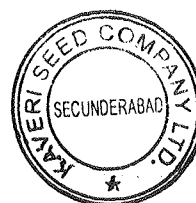
- Achievement of financial/business targets prescribed by the Board;
- Developing and managing / executing business plans, operational plans, risk management, and financial affairs of the organization;
- Display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations;
- Development of policies, and strategic plans aligned with the vision and mission of Company and which harmoniously balance the needs of shareholders, clients, employees, and other stakeholders;
- Establishment of an effective organization structure to ensure that there is management focus on key functions necessary for the organization to align with its mission; and
- Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders.

ii. Evaluation of Non-Executive Directors

The broad parameters for reviewing the performance of Non-executive Directors are:

- Participation at the Board / Committee meetings;
- Commitment (including guidance provided to senior management outside of Board/ Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality;
- Independence of behaviour and judgment; and
- Impact and influence.

iii. Evaluation of Independent Directors



In addition to the parameters laid down for Directors, which shall be common for evaluation to both Independent and Non- executive directors, an Independent director shall also be evaluated on the following parameters:

- Exercise of objective independent judgment in the best interest of Company;
- Ability to contribute to and monitor corporate governance practice; and
- Adherence to the code of conduct for independent directors.

3. Evaluation of the Committees

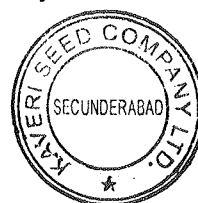
The broad parameters of reviewing the performance of the Committees, inter alia, are as under:

- Discharge of its functions and duties as per its terms of reference;
- Process and procedures followed for discharging its functions;
- Effectiveness of suggestions and recommendations received;
- Size, structure and expertise of the Committee; and
- Conduct of its meetings and procedures followed in this regard.

4. Evaluation Of Chairperson of The Board

The broad parameters for reviewing the performance of Chairperson of the Board are:

- Managing relationship with the members of the Board and management;
- Demonstration of leadership qualities;
- Relationship and communication within the Board;
- Providing ease of raising of issues and concerns by the Board members; and
- Promoting constructive debate and effective decision making at the board;
- Relationship and effectiveness of communication with the shareholders and other stakeholders;
- Promoting shareholder confidence in the Board and
- Personal attributes i.e. Integrity, Honesty, Knowledge etc.,



➤ **Frequency :**

Evaluation of performance shall be carried out at least once a year.

➤ **Policy 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.

➤ **Framework :**

A broad framework is annexed to this policy as ‘Annexure A’ for the evaluation of the-

- i. Board
- ii. Individual Directors (including Independent Directors, Managing Director, Whole time Director & Executive Director)
- iii. Committee
- iv. Chairperson of the Board

The framework streamlines the evaluation process by a set of questionnaire to be filled by individual directors.

➤ **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, performance of various committees of directors and 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. The Policy has been made available on Company’s official website.

By Order of the Board
For KAVERI SEED COMPANY LTD.



G.V. Bhaskar Rao,
Managing Director
DIN: 00892232

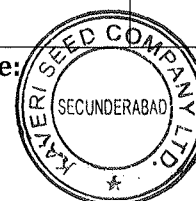
Annexure A

Evaluation Framework for Board

Who is evaluated?	Board		
Who is evaluating?	Independent Directors and other Board Members collectively.		
How is the evaluation done?	Questionnaire answered by all Board Members		
Board Evaluation Theme	Please respond to the following statements indicating your choice as response A/B/C where :	Response	Remarks, if any
	A = Completely Agree B = Somewhat Agree C = Disagree		
	1. The Board has proper mix of competent personnel to conduct its affairs effectively.		
	2. The Board is adequate in terms of size, skills/expertise, experience and gender.		
	3. The process of appointment to the Board is clear and transparent with proper diversity in thought, experience, knowledge and perspective.		
	4. The Board meets regularly and within time lines prescribed under applicable laws.		
	5. The Board discusses every issue comprehensively depending on the importance of the subject.		
	6. The Board's working atmosphere is congenial and cooperative.		
	7. The Board reviews and guides Corporate Strategy, major plans of action, risk policy, annual budget and business plans.		
	8. The Board monitors the effectiveness of its governance practices.		
	9. The Board has mechanism in place to communicate & engage with various stakeholders & works in the best interest of the Company and the stakeholders.		
	10. There is adequate independence of the management from the Board.		
	11. The Board regularly spends quality time in reviewing the performance of the Company.		
	12. The Board has appropriate functioning committees and skill sets to enable its working.		

Mr. _____
Designation:

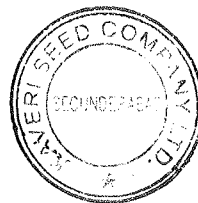
Date:



Evaluation Framework for Chairman of the Board

Who is evaluated?	Chairman of the Board		
Who is evaluating?	All Directors		
How is the evaluation Done?	Questionnaire answered by all Directors individually.		
Evaluation Theme	Please respond to the following statement indicating your choice as response A/B/C where :	Response	Remarks, if any
	A=Completely Agree B=Somewhat Agree C=Disagree		
	1. The Chairman of the Board leads the Board effectively and encourages contributions from all Board members.		
	2. The Chairman possesses adequate qualification, experience, knowledge and competency.		
	3. The Chairman regularly attends the meetings of Board without delay.		
	4. The Chairman provides a good degree of direction/ guidance to senior management outside the meetings.		
	5. The Chairman displays independence of judgement.		
	6. The Chairman looks after all the stakeholders' interest.		
	7. The Chairman is committed to the Board.		

Mr. _____
Designation:



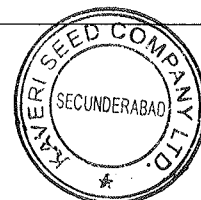
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Evaluation Framework for Committee

Who is evaluated?	Audit Committee (AC) , Nomination and Remuneration Committee (NRC) and Corporate Social Responsibility Committee (CSR)				
Who is evaluating?	All Board Members				
How is the evaluation Done?	Questionnaire answered by Board Members collectively				
Board Evaluation Theme	Please respond to the following statements indicating your choice as response A/B/C where : A= Completely Agree B = Somewhat Agree C=Disagree	Response			Remarks, if any
		Committees of Board			Committees of Board
		AC	NRC	CSR	
	1. The Board Committee is appropriately constituted with a clear mandate.				
	2. The Committee works as per the applicable laws and functions, assigned by the Board.				
	3. The Committee is effective in its interactions and decisions.				
	4. There is independence of the Committee Members from the Board.				
	5. The frequency of meetings of Committee is adequate.				
	6. The Members of the Committee contributes to the decisions of the Board.				

Mr. _____
Designation:

Date:



Form for Non-Independent Directors

Evaluation Framework for Independent Directors

Who is evaluated? – Independent Directors

Who is Evaluating? – Associate (non-independent) Directors

How is the evaluation done? - Questionnaire answered by all Independent Directors and other Board Members Individually

Evaluation Theme - Please respond to the following statements indicating your choice as response A/B/C for each Director where:

A=Completely Agree

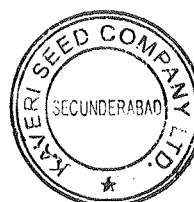
B=Somewhat Agree

C=Disagree

Parameters – Evaluating the performance	Response	Remarks, if any
1. The Directors invest time in understanding the company and its unique requirements.		
2. The Directors bring in external knowledge and perspective to the table for discussion.		
3. The Directors express her/his views on issues discussed at the Board.		
4. The Directors keep himself / herself current on areas and issues that are likely to be discussed at the Board level.		
5. The Directors express their views and judgement independently.		
6. The Directors are Independent from the Company and the Board.		

Mr. _____

Designation:



Date:

Form for other Board members (Non-Independent Directors)

Evaluation Framework for Non Executive Directors

Who is evaluated? – Non-executive / Associate Directors

Who is evaluating? – Other Board members

How is the evaluation done? - Questionnaire answered by all Independent Directors and other Board Members Individually

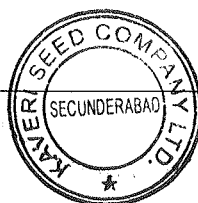
Evaluation Theme - Please respond to the following statements indicating your choice as response A/B/C for each non-executive director where:

A=Completely Agree

B=Somewhat Agree

C=Disagree

Parameters – Evaluating the performance	Response	Remarks, if any
1. The Directors invest time in understanding the company and its unique requirements.		
2. The Directors bring in external knowledge and perspective to the table for discussion.		
3. The Directors express her/his views on issues discussed at the Board.		
4. The Directors keep himself / herself current on areas and issues that are likely to be discussed at the Board level.		
5. The Directors express their views and judgement independently.		
6. The Directors are independent from the Company and the Board.		



Mr. _____
Designation:

Date: