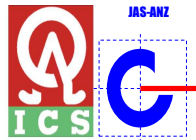


Performance Evaluation Policy & Process For Board of Directors



Conart Engineers Limited

Where Construction Engineering Becomes An Art



ISO 9001: 2008
Reg.No.:RQ-91/050

An ISO 9001 : 2008 Certified Company

www.conartengineers.com

Performance Evaluation Policy

(I) INTRODUCTION

The CEL's Board performance Evaluation Policy has been formulated and is being adopted in compliance of Companies Act, 2013 and the Clause 49 of the Listing Agreement entered into with the stock exchanges.

(II) PURPOSE

The purpose of the policy is to assess the effectiveness of the Board as a whole, Committees of Board and Individual Directors (Independent and Non-Independent), on regular basis and to take necessary steps for improving the effectiveness of the Board. Individual Board members are assessed on their effective contribution and commitment to their role and responsibilities as Directors.

(III) PROCESS

The Nomination and Remuneration Committee (NRC) of the Board shall decide the procedure, criteria and methodology of evaluation of Directors of the Company from time to time.

(a) Process for evaluation of Board as a whole and its Board of Directors:-

The review of the performance of the Board as a whole shall be carried out by the Nomination and Remuneration Committee (NRC) of the Board of Directors.

1. The NRC assesses and discusses the performance of the Board every year, and ascertains key areas for improvement and the requisite follow-up actions.
2. The Independent Directors of the Company at their meeting (without the attendance of Non-Independent Directors and members of Management), reviews the performance of the Board as a whole and the Board Committees.
3. The performance evaluation criteria of the Board includes:-
 - a) Growth in Business volumes and profitability, compared to earlier periods;
 - b) Growth over the previous years through inorganic expansion;
 - c) Transparency and fairness in Board Decision making processes.
4. The performance evaluation criteria of Board Committees includes:-
 - a) Attendance record and intensity of participation at meetings,
 - b) Inter-personal relationships with other Directors and management.
 - c) Protection and fair treatment of Minority shareholders and other stakeholders.

5. The Board of Directors shall undertake the following activities on an annual basis:
- a) The Chairman of the Company shall meet with each and every director individually to discuss his / her performance throughout the year.
 - b) Review performance evaluation reports submitted by the Chairperson 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.
 - c) Review the various strategies of the Company and accordingly set the performance objectives for directors, in consistency with varying nature and requirements of Company's business.
 - d) 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.

(b) Process for evaluation of Independent and Non-Independent Directors:-

1. The NRC lays down the evaluation criteria for performance evaluation of independent directors, which is disclosed in the Annual Report. This includes Attendance record, intensity of participation at meetings, quality of interventions, special contributions and inter-personal relationships with other Directors and management.
2. The entire Board of Directors (excluding the director being evaluated) evaluates the performance of independent directors and decides on the follow-up action including extension of the term of appointment of the independent director.
3. The Independent Directors of the Company at their meeting (without the attendance of Non-Independent Directors and members of Management), reviews the performance of Non-Independent Directors and the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors;
4. The performance evaluation criteria of Individual Directors and Committees includes:-
 - a) Attendance record and intensity of participation at meetings,
 - b) Quality of interventions,
 - c) Special contributions and
 - d) Inter-personal relationships with other Directors and management.

The evaluation of Independent Directors shall be carried out by all the members of the Board excluding the Director being evaluated. In accordance with Schedule IV of the Companies Act, 2013, the extension or continuance of the term of appointment of Independent Directors would be determined based on their evaluation.

(c) Process for Evaluation of Chairperson:-

The performance of Chairperson of the Board shall be carried out by the Nomination and Remuneration Committee taking into account the views of Executive and Non-Executive Directors.

The evaluation process as mentioned above shall be carried out annually at the time of finalizing annual business plan and annual budget of the company or before the end of the financial year.

(IV) REPORTING

Individual Board members are assessed on their effective contribution, quality of interventions, statutory disclosures/ compliances from time to time and commitment to their role and responsibilities as Directors.

(V) RATING**(a) Evaluation Factors**

The Board of Directors shall pay regards to the following 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 independent directors, non-independent directors of the Company and committees of directors separately, as, such evaluation factors may vary in accordance with their respective functions and duties.

Rating Scale

Scale	Performance
5	<i>Exceptionally good</i>
4	<i>Good</i>
3	<i>Satisfactory</i>
2	<i>Needs improvement</i>
1	<i>Unacceptable</i>

(b) Rating Parameters for Independent Directors

Overall Rating: _____

Sr. No.	Particulars	Rating
1	Compliance with Articles of Association, Companies Act & other Laws	
2	Compliance with ethical standards & code of conduct of Company	
3	Assistance in implementing corporate governance practices	
4	Rendering independent, unbiased opinion	
5	Attendance & presence in meetings of Board & committees	

6	Attendance & presence in general meetings	
7	Leadership qualities	
8	Qualifications	
9	Disclosure of non–independence, if exists	
10	Independent view on key appointments & strategy formulation	
11	Objective evaluation of Board’s performance	
12	Review of integrity of financial information & risk management	
13	Safeguard of stakeholders’ interests	
14	Appointment & removal of KMPs	
15	Determination of level of remuneration of KMPs	
16	Updation of skills and knowledge	
17	Punctuality	
18	Information regarding external environment	
19	Seeking expert opinion, when required	
20	Raising of concerns to the Board	
21	Safeguarding interest of whistle-blowers under vigil mechanism	
22	Reporting of frauds, violation etc.	
23	Team work attributes	
24	Safeguard of confidential information	

(c) **Rating Parameters for Non–Independent Directors / Executive Directors**

Overall Rating: _____

Sr. No.	Particulars	Rating
1	Compliance with Article of Association, Companies Act & other laws	
2	Strategic planning- financial & business	
3	Operational performance of the Company	
4	Monitoring performance against plans	
5	Steps initiated towards Business Development	
6	Steps initiated towards Branding of the Company	
7	Compliance with ethical standards & code of conduct	
8	Exercising duties diligently	
9	Motivating employees, providing assistance & directions	
10	Establishment of internal control processes	
11	Communication skills	
12	Qualifications	
13	Attendance & presence in meetings of Board & committees	
14	Attendance of general meetings	
15	Punctuality	
16	Disclosure of interest	
17	Leadership skills	

18	Team work attributes	
19	Monitoring policies, encouraging suggestions	
20	Supervising & training the staff members	
21	Safeguard of confidential information	

(d) Rating Parameters for evaluating Committees of the Board

The Board has constituted the following committees:

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Nomination and Remuneration Committee;

For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspects:

Overall Rating: _____

Sr. No.	Particulars	Rating
1	Compliance with Article of Association, Companies Act & other laws	
2	Compliance with its charter documents	
3	Compliance with ethical standards & code of conduct of Company	
4	Committee's accomplishments w.r.t. performance objectives	
5	Redressal of complaints & grievances	
6	Coordination with other committees and Board of Directors	
7	Fulfillment of roles & responsibilities	
8	Adherence to Company's policies and internal procedures	

(g) Remuneration

The Company aspires to pay performance linked remuneration to its Directors. For this reason, based on the aforesaid criteria of evaluation of performance of directors (independent as well as non-independent directors) their remuneration shall be determined and reviewed from time to time by the Chairman & Managing Director, Mr. Jitendra S Sura and / or Executive Director, Mr. Jimish J Sura.

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.

(VI) EXTERNAL SUPPORT

The Board as and when it feels necessary may carry out evaluation process with the support of external consultants.

(VII) DISCLOSURES

- a) The Board evaluation process is carried out by the Nomination, Remuneration Committee (NC), Independent Directors and the Board of Directors and disclosed in the Annual Report.
- b) In accordance with the requirement under the Companies Act, 2013, Rules made thereunder and Listing Agreement, disclosures will be made in the Board Report 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.

A statement on the process of Board evaluation shall be made part of Directors Report in the Annual Report of the Company.

(VIII) APPLICABILITY

- a) 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 Board of Directors from time to time.

For and on behalf of the Board of Directors of
CONART ENGINEERS LIMITED

Jitendra Sura
Managing Director
