



SCOOBEE DAY GARMENTS (INDIA) LIMITED

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

POLICY ON EVALUATION OF PERFORMANCE OF DIRECTORS AND THE BOARD

The Board of Directors acknowledges its intention to establish and follow “best practices” in Board governance to fulfil its fiduciary obligation to the Company.

The Company conducts its operations under the directions of Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, SEBI Regulations, Memorandum and Articles of Association and Code of Conduct and policies formulated by the Company for its internal execution. The present policy for performance evaluation is being put into place in accordance with the provisions of Companies Act, 2013 and SEBI LODR on Board Evaluation. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

1. OBJECTIVE

This Policy aims to:

- (i) Ensure compliance of the applicable provisions of the Companies Act, 2013 (“the Act”) and the Listing Regulation entered into with the Stock Exchanges (as amended or re-enacted from time to time) relating to the evaluation of performance of the Directors and the Board.
- (ii) adopt best practices to manage the affairs of the Company in seamless manner.
- (iii) achieve good corporate governance as well as sustained long-term value creation for stakeholders.

2. DEFINITIONS

- a. **Companies Act** means the Companies Act, 2013, as amended from time to time and the rules made thereunder.
- b. **Company** means Scoobee Day Garments (India) Limited.
- c. **Director** or **Board** means the Director or the Board, in relation to the Company, and deemed to include the collective body of the Board of Directors of the Company including the chairman of the Company.

d. **Independent Director** shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (6) of the Act.

e. **Policy** shall mean this Policy for evaluation of performance of the Board of the Company.

f. **Committee** shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Act.

g. **SEBI Listing Regulations** means the Securities Exchange.

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 ("NED"s), the following parameters shall be considered:

- (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 brand image of the Company.

While evaluating the performance of the 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 Company shall provide suitable training to the Non-Executive Directors including Independent Directors. Any other need based training shall also be provided.

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 itself, and of its committees and individual Directors as, such evaluation factors may vary in accordance with their respective functions and duties.

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

Rating Scale

<u>Performance</u>	<u>Rating</u>
Satisfactory	1
Not Satisfactory	0

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

PERFORMANCE EVALUATION FOR INDEPENDENT DIRECTORS TO BE EVALUATED BY THE BOARD ON BELOW PARAMETERS

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

Name of Director being assessed: _____

S.No.	Assessment Criteria	Rating	Remarks/ Comments
1	Helps in bringing an independent judgment to bear on the Board's deliberations		
2	Brings an objective view in the evaluation of the performance of Board and management		
3	Attendance and participations in the meetings		
4	Raising of concerns to the Board		
5	Undertakes to regularly update and refresh his skills, knowledge, and familiarity with the Company		
6	Satisfies himself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.		
7	Seeks appropriate clarification / information and, where necessary, takes appropriate professional advice and opinion of outside experts at the expense of the Company		
8	Pays sufficient attention and ensure that adequate deliberations are held before		

	approving related party transactions		
9	Initiative in terms of new ideas and planning for the Company		
10	Refrains from any action that may lead to loss of his independence and immediately informs the Board where circumstances arise which makes him lose his independence.		
11	Safeguarding interest of whistle-blowers under vigil mechanism		
12	Adheres to all other standards of the Code for Independent Directors as per the Schedule IV to the Companies Act, 2013		
13	Timely inputs on the minutes of the meetings of the Board and Committee's, if any.		
14	Prepares for the Board meeting by reading the materials distributed before the Board meeting.		

NON - INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of Managing Director/Non-Independent Director/Executive Director by Independent Directors, in which the concerned director being evaluated shall not be included, are set out below:

Name of Director being assessed: _____

S.No.	Assessment Criteria	Rating	Remarks/ Comments
1	Leadership initiative		
2	Initiative in terms of new ideas and planning for the Company		
3	Professional skills, problem solving, and decision-making		
4	Compliance with policies of the Company, ethics, code of conduct, etc		
5	Reporting of frauds, violation etc.		
6	Safeguarding of interest of whistle blowers under vigil mechanism		
7	Timely inputs on the minutes of the meetings of the Board and Committee, if any		

BOARD OF DIRECTORS

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

S.No.	Assessment Criteria	Rating	Remarks/ Comments
1	The Board of Directors of the Company is effective in decision making.		
2	The Board knows and understands the Company's mission and engages in long range strategic thinking and planning.		
3	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.		
4	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
5	The Board reviews the organization's performance in carrying out the stated mission on a regular basis.		
6	The Board of Directors is effective in providing necessary advice and suggestions to the Company's management.		
7	Is the Board as a whole up to date with latest developments in the regulatory environment and the market?		
8	The information provided to Directors prior to Board Meetings meets your expectations in terms of length and level of detail.		
9	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		
10	The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.		
11	Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.		
12	The Board appropriately considers internal audit reports, management's responses, and		

	steps towards improvement.		
13	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.		
14	The Board considers the Independent Audit plan and provides recommendations.		

COMMITTEES OF BOARD

The Board has constituted the following committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee and
4. Corporate Social Responsibility Committee;

For evaluating the performance of each Committee, the Board of Directors shall pay regards to the following aspects as set out in the annexure below:

S.No	Audit Committee(for Audit Committee members only)	Rating	Remarks/ Comments
1	The Committees are comprised of the right number and type of members and are effective.		
2	The composition, terms of reference, roles and responsibilities of the committees are in line with the applicable laws and are actively adhered to by the members.		
3	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
4	The Committee meeting agendas are well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.		
5	Timely inputs on the Minutes of the Meetings		

S.No	Nomination and Remuneration Committee(for Nomination and Remuneration Committee members only)	Rating	Remarks/ Comments
1	The Committees are comprised of the right number and type of members and are effective.		
2	The composition, terms of reference, roles and responsibilities of the committees are in line with the applicable laws and are actively adhered to by the members.		
3	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
4	The Committee meeting agendas are well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.		
5	Timely inputs on the Minutes of the Meetings		

S.No	Stakeholders Relationship Committee(for Stakeholders Relationship Committee members only)	Rating	Remarks/ Comments
1	The Committees are comprised of the right number and type of members and are effective.		
2	The composition, terms of reference, roles and responsibilities of the committees are in line with the applicable laws and are actively adhered to by the members.		
3	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
4	The Committee meeting agendas are well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.		
5	Timely inputs on the Minutes of the Meetings		

S.No	Corporate Social Responsibility Committee(for Corporate Social Responsibility Committee members only)	Rating	Remarks/ Comments
1	The Committees are comprised of the right number and type of members and are effective.		
2	The composition, terms of reference, roles and responsibilities of the committees are in line with the applicable laws and are actively adhered to by the members.		
3	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
4	The Committee meeting agendas are well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.		
5	Timely inputs on the Minutes of the Meetings		

REVIEW

The Nomination and Remuneration 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 in a meeting of the Committee.

DISCLOSURE

In accordance with the requirement under the Companies Act, 2013, Rules framed thereunder and SEBI (LODR) Regulations, 2015, 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. The Company shall disclose the evaluation criteria in its Annual Report. The Policy will be available in the public domain i.e. on the website of the Company.