

**BOARD**  
**EVALUATION**  
**POLICY**

# **BOARD EVALUATION POLICY**

## **INTRODUCTION:**

This policy is framed to encourage open and effective evaluation of performance of Directors of Easy Trip Planners Limited (the Company) and to lay down the guidelines and mechanism for undertaking performance evaluation. The Company believes that performance evaluation is a key, by which the Board can recognize and address corporate governance challenges and enhance value to the Company.

The evaluation of Board of Directors involves board members undertaking a constructive and 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, the Nomination and Remuneration Committee (NR Committee) of the Company, has developed a framework for evaluating the Board effectiveness. This Policy is in compliance with Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **SCOPE:**

The Companies Act, 2013 (the Act) mandate certain categories of companies to have in place a Performance Evaluation Mechanism of the Board and the Directors.

Section 178 of the Companies Act, 2013 requires constitution of Nomination and Remuneration Committee consisting of three or more Non-executive Directors out of which not less than one-half shall be Independent Directors. The terms of reference of this Committee *inter alia* includes i) Identifying persons who are qualified to become Directors ii) Recommend to the Board their appointment and removal iii) carry out evaluation of every Director's performance annually iv) formulate the criteria for determining qualifications, positive attributes and independence of the Director v) formulate a Policy relating to the remuneration of the Directors, Key Managerial Personnel, etc.

## **PERFORMANCE EVALUATION OF BOARD:**

The Board shall carry out the annual evaluation process of its own performance as envisaged in the Companies Act, 2013 and the individual Directors (excluding the Director being evaluated).

The Board performance evaluation shall:

- *Review the role of the Board and the individual Directors;*
- *Assess the Board effectiveness – both the Board as a whole and Individual Director's contribution to general discussions, business proposals and governance practices;*

- *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;*
- *Evaluate its effectiveness in use of time, opportunity to adequately assess the management performance, keeping abreast of developments in the business and regulatory environment, frequency and duration of the meetings.*
- *Factor the suggestions received from Directors for change/improvisation.*

*Assess the duties are discharged in accordance with provisions of the Act.*

### **EVALUATION CRITERIA AND MECHANISM**

The performance of the Directors shall be evaluated in the context of the Company's performance from a business and compliance perspective. The criteria to be used in the evaluation of performance will be those duties and responsibilities that the Board and the Director mutually agree upon. The evaluation criteria may be supplemented, when appropriate, with specific initiatives, projects or professional development objectives.

The Committee shall specify the manner for effective evaluation of performance of the Board, its committees and directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance. The evaluation process shall be as follows:

- Formal review shall be done on an annual basis and shall commence immediately upon completion of the previous financial year and shall be completed before the Board meeting at which the notice and agenda for the annual general meeting is approved by the Board;
- Format for formal review shall consist of the form for (a) Executive Director evaluation ; (b) Non-executive Director evaluation;(c) Board evaluation;(d) committees evaluation; (e) Chairman evaluation, as reviewed and approved by the Committee;
- Notwithstanding anything contained to the contrary in the Policy, the evaluation of the independent directors shall be done by the Board and such evaluation shall include (a) performance of the Directors; and (b) fulfillment of the independence criteria as specified in the Act and their independence from the management. Provided that in the above evaluation, the Directors who are subject to evaluation shall not participate;
- The evaluation form(s) is to be distributed to all Board and Committee members well in time such that the evaluation process is completed before the Board meeting at which the notice and agenda for the annual general meeting is approved by the Board; and
- Results of the evaluation shall be finalized on or before the date of board.

## **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.

## **MANAGING DIRECTOR AND EXECUTIVE DIRECTORS/ WHOLE TIME DIRECTOR**

The performance of Managing Director/Executive Director/Whole Time Director shall be first reviewed by the Chairman and recommendation be made to the Nomination and Remuneration Committee. Some of the parameters for evaluation that can be considered are:

- *To assess the overall contribution to the performance of the Company in terms of the taskshandled.*
- *Leadership qualities*
- *Conduct of Meetings, in the absence of the Chairman, if the need arises*
- *Contribution to strategic Plans*
- *Decision making abilities, relationship with stakeholders.*

## **INDEPENDENT DIRECTORS**

The performance evaluation of Non-Executive Independent Director's ("NEID") shall be done by the entire Board of Directors, 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 of importance 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.*

**REVIEW OF POLICY:**

This Policy shall be reviewed by the Board as may be deemed necessary and in accordance with any statutory /regulatory requirements. In case of any change/amendment in applicable statutes/regulations, the Policy shall stand revised to the extend thereto.

