



PERFORMANCE EVALUATION POLICY

1. Preface:

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; the Articles of Association, listing agreement with stock exchanges, internal code of conduct and policies formulated by the Company for its internal execution.

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 shall be assessed by the Board of Directors of the Company. 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.

2. Objectives:

The Performance Evaluation Policy ("the Policy") aims to maintain a proactive and effective Board. As one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this Performance Evaluation Policy of 1) Kundan Minerals and Metals Limited ("the Company") aims to ensure that individual directors ("the Directors") and the Board of Directors of the Company ("the Board") as a whole work efficiently and effectively in achieving Company's objectives.

The purposes of this policy are 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 focused 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 organization.

3. Policy Statement:

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Email : info@kundanmineralsandmetals.com CIN: L24205BR1964PLC006630

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Corp. Off.: Flat No 4, 2nd Floor 3, Scindia House Connaught Place, New Delhi-110001



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The policy aims at establishing a procedure for conducting periodical evaluation of directors' performance and formulating the criteria for determining qualification, positive attribute and independence of each director of the Company in order to effectively determine issues relating to remuneration of every director, key managerial personnel and other employees of the Company. This policy further aims at ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties.

4. Responsibility of the Board:

It shall be the duty of the chairperson of the board, who shall be supported by a Company Secretary 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;

- 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.
- To carry out performance evaluation of various committees on each of evaluation factor as provided in Annexure I and review the performance 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.
- Evaluation of every Independent Director shall be carried on by the entire Board of Directors of the Company, except the Director getting evaluated, on each of evaluation factor as provided in Annexure II.
- 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.

5. Responsibility of the Nomination & Remuneration Committee:

It shall evaluate the performance of every individual Director of the Company on each of evaluation factor as provided in Annexure III or Annexure IV, as the case may be.

6. Responsibility of Independent Directors:

Independent Directors are duty bound to evaluate the performance of every non-independent

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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 every non-independent directors and the Board as whole on each of evaluation factor as provided in Annexure III or Annexure IV, as the case may be and Annexure V respectively;
- Review the performance of the Chairperson of the company on each of evaluation factor as provided in Annexure VI, 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.

7. 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.

8. 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 key features of this Policy have also been included in the corporate governance statement contained in the annual report of the Company.

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EVALUATION OF BOARD COMMITTEES

Rating Scale:

<i>Outstanding</i>	<i>Exceeds Expectation</i>	<i>Meets Expectation</i>	<i>Needs Improvement</i>	<i>Poor</i>
5	4	3	2	1
Sr. No.	Particulars	Rating	How can the Committee do it better or differently	
1.	The Committees of the Board are appropriately constituted?			
2.	The terms of reference for the committee are appropriate with clear defined roles and responsibilities?			
3.	Observing Committees terms of reference.			
4.	The composition of the committee is in compliance with the legal requirement?			
5.	The amount of responsibility delegated by the Board to each of the committees is appropriate?			
6.	The reporting by each of the Committees to the Board is sufficient?			
7.	The performance of each of the Committees is assessed annually against the set goals of the committee?			
8.	Whether the terms of reference are adequate to serve committee's purpose?			
9.	The committee regularly reviews its mandate and performance?			
10.	Committee takes effective and proactive measures to perform its functions?			
11.	Committee gives effective suggestion and recommendation?			
12.	Committee meetings are conducted in a manner that encourages open communication and meaningful participation of its members?			
13.	Committee meetings have been organized properly and appropriate procedures were followed in this regard?			
14.	The frequency of the Committee meetings is adequate?			

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15.	Committee makes periodically reporting to the Board along with its suggestions and recommendations?		
16.	Overall rating of Committee's performance		
Comment: _____ _____			
Please suggest three things that could improve Committee's performance.		Name of Director: _____	
1.		Signature: _____	
2.		Date: _____	

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