



**POLICY ON EVALUATION OF PERFORMANCE OF INDEPENDENT
DIRECTORS AND THE BOARD OF DIRECTORS**

1. INTRODUCTION:

ZR INFRA LIMITED (herein after referred to as “**the Company**”) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour in consonance with the Company’s Code of Conduct policy for its employees and also for the Board of Directors.

The Company has made this policy to comply with various provisions of the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Policy will be effective from 20.12.2022.

2. DEFINITIONS:

A. “**the Act**”:

The Act shall mean The Companies Act, 2013;

B. “**the Company**”:

The Company shall mean ZR INFRA LIMITED.

C. “**the Director**” or “**the Board**”:

The Director or the Board, in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.

D. “**the Independent Director**”:

The Independent Director shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (5) of the Act.

E. “**the Policy**” or “**this Policy**”:

The Policy or This Policy shall mean the Policy for Evaluation of Performance of Independent Directors and Board of Directors of the Company.

F. “**the Committee**” or “**this Committee**”:

The Committee or This Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

3. OBJECTIVE:

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board, key managerial personnel and other employees of the Company.

4. VARIOUS KINDS OF PERFORMANCE EVALUATION:

A. APPRAISAL SYSTEM:

Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below. This appraisal is mandatory and will be done under the provision of the clause (p) of subsection (3) of Section 134.

CRITERIA FOR EVALUATION:

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Criteria's of performance evaluation	Sub-criteria's of evaluation and performance	Rating
Based on job profile	1. Knowledge of the job profile	
	2. Skills required to perform or to execute the job profile	
Based on responsibilities and obligations	1. Attendance and participations in the meetings 2. Expert opinions in respect of the serious issues	
Based on strategies	1. Strategies formulated and successfully implemented	
	2. Various directions provided in the best interest of the Company on key issues	
Based on performance management	1. Performance of the Company on the stock exchanges	
	2. Financial performance	
	3. Achievement of domestic or international award	
Based on risk management	1. Avoidance of high financial risk while executing the functions and duties	
	2. Avoidance from any other high risk	
Based on Mergers & Acquisitions	1. Number of mergers & acquisitions taken place	
	2. Number of brands undertaken from outsiders or competitors	
	3. Success rate in executing M&A	
Based on talent management	1. Achievement in respect of successful negotiations	
	2. The level of talent retained at low, mid and top level	
Based on core governance & compliance management	1. Review of Detailed Compliances applicable under the various Laws, Rules & Regulations	
	2. Reviewing Whether the Business is running Legally or not	

Based on Annual Targets	1. Targets achieved in Domestic & International Sales & Marketing	
	2. Targets achieved in Manufacturing Activity	
Based on expansion & diversification	1. New successfully executed Business Expansions	
	2. New successfully executed Business Diversifications	
Based on succession planning	1. Provision for Additional or Alternate Directors	
Based on conflict of interest management	1. Strategy to resolve the conflict of interest in other Directors	
	2. Strategy to resolve the conflict of interest in other Employees	
Based Financial & Operational Control Mechanism	1. Control on Financial Dealings 2. Control on internal Operational Activities	
Based on maintaining of corporate culture and moral values	1. Initiative to maintaining Corporate Culture of the Company	
	2. Initiative to maintaining Moral Values of the Company	
Based on maintaining high level of integrity and ethics	1. Initiative to maintaining High level of Integrity	
	2. Initiative to maintaining High level of Ethics	
Based on compliance with the code of conduct of directors	1. Functioning of Duties and Responsibilities as per the Code of Conduct for Directors	
	2. Abidance and behaviour in accordance with Code of Conduct for Directors	

B. EVALUATION OF THE PERFORMANCE:

The Committee shall evaluate the performance of each Board of Directors of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code of Conduct of the Directors.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated and will include fulfillment of the independence criteria as specified in the Listing Regulations and their independence from the management as a parameter.

5. CRITERIA FOR EVALUATION OF PERFORMANCE:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors, Board, Key Managerial Personnel and other employees.

1. Attendance and contribution at Board and Committee meetings
2. His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
3. His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
5. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
6. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
7. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
8. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
9. His/her contribution to enhance overall brand image of the Company.

BOARD MEMBER FEEDBACK:

The Board plays a very important role in ensuring the Company's performance is monitor and timely inputs are given to enhance its performance and set the right direction for growth. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

Name of the Director: _____

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Sr. No	Question	Rating	Remark
1.	Participation and attendance in Board and Committee Meetings actively and consistently		
2.	Prepares adequately for Board and Committee Meetings		
3.	Contributes to strategy and other areas impacting company's performance		
4.	Brings his / her experience and credibility to bear on the critical areas of performance of the organization		
5.	Keeps updated knowledge of his / her areas of expertise and other important areas		
6.	Communicates in open and constructive manner		
7.	Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented		
8.	Helps to create brand image of the company and helps the company wherever possible to resolved issues, if any		
9.	Actively contributes toward positive growth of the company		
10.	Conduct himself / herself in a manner that is ethical and consistent with the laws of the land		
Total ratings			

Note: Rating 90 and above - excellent, between 75 to 89 – Very good, between 60 to 74 – Good, between 35 to 59 – Satisfactory and Less than 35 – Unsatisfactory.

6. PROCEDURE TO EVALUATE COMMITTEES OF THE BOARD:

The following parameters are to be considered while evaluating the performance of the committees of the Board:

- a. Mandate and composition of the committee
- b. Effectiveness
- c. Structure of the committee and meetings
- d. Independence of the committee from the Board
- e. Contribution to the decisions of the Board

7. PROCEDURE TO RATE THE PERFORMANCE:

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall rate the performance of each Director, Key Managerial Personnel and other employees. The performance rating shall be given within minimum 1 and maximum 10 categories, the rating 1 being least effective and 10 being most effective. Based on the rating of performance the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

8. REVIEW

The Committee shall review the implementation and compliance of the Policy.

The 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.

9. DISCLOSURE

In accordance with the requirement under the Companies Act, 2013, Rules framed thereunder and Listing Regulations, 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.
