

BOARD EVALUATION MECHANISM

1. INTRODUCTION

This mechanism is framed to encourage open and effective evaluation of performance of Directors of Oswal Agro Mills Limited (“**the Company**”) and to lay down the guidelines and mechanism for undertaking programme of 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 but 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 mechanism is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).

2. PURPOSE

The primary objective of this mechanism is to provide a framework and set standards for the evaluation of the Board as a whole and each Director individually. Oswal Agro Mills Limited aims to achieve a balance of merit, experience and skills on the Board. The mechanism is to assess and enhance the effectiveness of the Board as a whole. Individual Board members are assessed on their effective contribution and commitment to their role and responsibilities as Directors. The Board evaluation process shall be carried out by the Nomination and Remuneration Committee.

3. OBJECTIVES OF EVALUATION

The objective to undertake evaluation of Board and individual directors are as under:

- To ensure commitment to performance management;
- To review challenges in the dynamics of the Board or among the Board and management;
- To enhance good corporate governance;
- To develop appropriate skills, competencies and motivation amongst the Board Members.

4. SCOPE OF EVALUATION

The scope of the evaluation extends to Directors including Independent Directors, the Executive Chairman, the Managing Director / Whole Time Directors and to Key Executives on the basis of the Criteria set forth by the NR Committee.

The key executives shall mean all the Executives to the level of the President and above.

5. METHOD OF EVALUATION OF BOARD

Depending on the objectives of the evaluation, and the resources available, the evaluation process will involve a range of qualitative and quantitative techniques.

Evaluation of the Board

The evaluation/ assessment of the Directors of Oswal Agro Mills Limited, is to be conducted on an annual basis, which helps Directors to develop a shared understanding of their governance role and responsibilities; thereby complying with the provisions of the Listing Regulations.

The Chairman of the NR Committee shall collect the input and prepare a report that will be submitted to the NR Committee on an annual basis, within 45 days of the end of every financial year.

Based on the reports submitted, the NR Committee shall assess and discuss the performance of the Board as a whole every year, and ascertain key areas for improvement and the requisite follow-up actions.

Process of self-evaluation of the Board

The self-evaluation shall be mandatory for all the Board Members.

The process shall be initiated by NR Committee. A self-evaluation form prepared by the NR Committee shall be distributed to the all the Board Members. The form shall be different for the Executive Directors and Non- Executive Directors.

The said form shall be required to be filled as per the instructions provided therein. The filled up self-evaluation form shall be submitted to the Chairman of the NR Committee. The Chairman of NR Committee shall submit his self-evaluation form to the Executive Chairman.

The NR Chairman may, if he deems necessary, do the necessary discussions with the individual Board members for proper evaluation.

Thereafter, the NR Chairman shall place all forms and data about the outcome of individual meetings with directors before the NR committee. The NR Committee shall analyze the data and place the outcome of the evaluation process before the Board at its consequent meeting.

In the Board meeting, the Chairman of the Board shall discuss the outcome of board evaluation placed by NR Committee among the Board members wherein the individual Board member whose evaluation discussion is proposed by the Chairman of the Board shall be required to excuse himself/herself for such span of time when his/her discussion takes place. Evaluation of all the directors shall take place in same manner.

Evaluation of Individual Directors provides the board with an opportunity to address specific issues in depth. It also serves as a tool to evaluate the performance and contribution of each Director, individually. The Executive Chairman shall also place before the Board his report on evaluation of the Chairman of NR Committee and his performance will be evaluated in the similar manner.

The following criteria, to the extent applicable, may assist in determining how effective the performances of the Directors / Key Executives have been:

Criteria	Scope of Performance Evaluation
Work Profile	Knowledge of the profile
	Skills required to perform or execute the profile
Strategic	Formulation of corporate strategy and its implementation
	Contribution on key issues pertaining to the Company
Responsibility	Participation and attendance at the meetings
	Quality of opinion on serious issues
Performance	Performance of the Company
	Financial Performance
Risk Management	identifying, monitoring & mitigating significant corporate risks
	Avoidance of high financial risk
	Avoidance of any significant risk
Criteria	Scope of performance evaluation
Resource Management	Quality of human resource retained at top, middle and lower levels
	Safeguarding assets and other resources of the Company
Achieving Targets	Sales and marketing targets
	Manufacturing targets
Integrity	Maintenance of high level of integrity
	Maintenance of high level of ethics
Compliance with Code of Conduct	Carrying out responsibilities as per the code of conduct
	Conduct of behaviour as per the Code of the Conduct/ Management Guidelines etc.
	Reviewing the corporate ethical conduct
	Communication Skill and quick responsiveness
	Monitoring performance against plans.
	Exercising duties diligently
	Leadership
	Punctuality
	Disclosure of Interest
	Motivating employees, providing assistance & directions
	Attendance & presence in the meetings of the Board & Committees
	Monitoring policies, encouraging suggestions.
	Safeguard of Confidential Information

Evaluation will be conducted by the Independent Directors for each of the Executive / Non-Independent Directors in a separate meeting of the Independent Directors.

6. REVIEW OF MECHANISM

The ‘Nomination and Remuneration Committee’ reserves its right to review and amend this mechanism, once in a year, to ascertain its appropriateness as per the needs of the company and applicable laws. The policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee and reviewed mechanism shall be placed in the subsequent Board Meeting for taking note of the same.
