

JSW PAINTS LIMITED (JSW PAINTS)

BOARD EVALUATION POLICY



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JSW PAINTS LIMITED

Board Evaluation Policy

PREFACE:

Title	Board Evaluation Policy
Version Number	1.0
Effective Date	June 26, 2025
Authorized by	Board of Directors
Last Revised Date	----

1. Introduction

The purpose of the Board Evaluation is to assess the performance and effectiveness of the Board, its Committees, and individual Directors, with the objective of enhancing overall Board functioning. This process aims to ensure that the Board continues to operate in a manner that is transparent, accountable, and aligned with the strategic goals of the Company. Through a structured evaluation mechanism, the Company seeks to identify areas of improvement, promote constructive feedback, and strengthen the Board's contribution to effective corporate governance.

This policy has been framed in compliance with applicable provisions of the Companies Act, 2013, and any other applicable law.

2. Statutory/Regulatory Requirements:

The Companies Act, 2013, and Rules framed thereunder mandates the performance of every director of a Public Limited Company to be evaluated:

- A. Schedule IV of the Companies Act, 2013, which prescribes the Code of Conduct for Independent Directors, provides for an evaluation mechanism for evaluating the performance of the Non-Independent Directors and the Board as a whole, and for reviewing the performance of the Chairperson of the Company taking into account the views of Executive and Non-Executive Directors, which needs to be done at a **separate meeting of the Independent Directors**.
- B. The NRC is required to carry out evaluation of **every Director's Performance**.



- C. In addition, evaluation of the Independent Directors shall be done by the entire Board excluding the director being evaluated and shall include (a) Performance of the Directors; and (b) fulfillment of the independence criteria as specified in the Companies Act, 2013 and their independence from the Management. This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director.
- D. The **Board's Report** to the Members of the company shall include a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and Individual Directors.

3. Meeting of the Independent Directors:

At least one meeting of the independent directors of the Company shall be held in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting.

The independent directors in the meeting shall, inter-alia:

- A. review the performance of non-independent directors (executive and whole time directors) based on the recommendations of the Nomination and Remuneration committee.
 - B. review the performance of the Board as a whole;
 - C. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
 - D. 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.
4. **Performance Evaluation Framework for Board and Individual Directors** Considering the performance evaluation requirements, the following framework is adopted:

A. Mechanism and approach:

The process will be initiated each year by the Chairperson of the Board. At the Board's discretion, the Company Secretary or any other person designated by the Board, will co-ordinate the Board evaluation or an external consultant may be appointed to assist with the process.

B. Evaluation of KMP:

Process: The NRC shall assess the organizational performance as well as the individual performance for KMPs on an annual basis. Based on its assessment it shall make recommendations to the Board regarding compensation for KMP and performance bonus/variable pay.

C. Evaluation of Independent Directors and the Board:

The Board/Director evaluation process will consist of two parts:

- Peer to Peer Evaluation; and
- Overall Board and Committee Evaluation (either internally or by an external consultant).

5. Board and NRC Discussion:

The Board will discuss areas that are working well, and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made. The Company Secretary will work with the Board to implement necessary changes.

Apart from the above, the NRC will carry out an evaluation of every Director's performance.

For this purpose, the NRC would review the Tabulated Report. The NRC would provide feedback to the Board on its evaluation of every director's performance and based on such feedback, the Board will recommend appointments, re-appointments and removal of the non-performing Directors of the Company.

6. Evaluation Criteria

The evaluation criteria & the Annexures for the Board, its Committees and its Directors may be changed at any time by the Board or any other person authorized by the Board.



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