POWERICA LIMITED

POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

Revised Policy adopted on at Board of Directors meeting held on June 21, 2025

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1. Introduction

Powerica Limited (the "**Company**") believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Company's Code of Conduct for Board and Senior Management Personnel.

The honesty, integrity and sound judgement and performance of the Directors and the senior management are key criteria for the success and for building a good reputation of the Company. Each Director and executive in the senior management are expected to comply with the letter and spirit of this Policy for Evaluation of the Performance of the Board of Directors ("**Policy**"). Any actual or potential violation of the Code of Conduct for Board and Senior Management Personnel and this Policy by the Directors would be a matter of serious concern for the Company.

Therefore, the Company has formulated this Policy to comply with various provisions under the Companies Act, 2013 ("**Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and also the formal annual evaluation made by the Board of its own performance (self-appraisals) and that of its committees and individual directors as mentioned under clause (p) of sub-section (3) of Section 134 of the Act. The Committee shall evaluate the performance of each of the director as per sub-section (2) of Section 178 of the Act and based on the functions of the Independent Directors as indicated under Schedule IV (as per Section 149) of the Act.

2. Definitions

i. "**Act**" means the Companies Act, 2013, as amended from time to time and the rules made thereunder.

ii. "**Company**" means **Powerica Limited.**

iii. "**Committee**" shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Act.

iv. "**Director**" or "**Board**" means the director or the board of directors, in relation to the Company, and is deemed to include the collective body of the Board of the Company including the Chairman of the Company.

v. "**Independent Director**" shall mean an Independent Director as defined under Section 2(47) read with Section 149 (5) of the Act.

vi. "**Listing Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

vii. "**Policy**" shall mean this policy for evaluation of performance of Board of Directors of the Company.

3. Objective

The object of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the entire Board, to adopt best practices to manage the affairs of the Company in a seamless manner and ensure long term value creation for stakeholders by achieving good corporate governance.

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 clause (p) of sub section (3) of Section 134 of the Act.

CRITERIA FOR EVALUATION

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

Criteria for Performance Evaluation	Sub-Criteria for Evaluation of Performance	Rating
Based on job profile	1. Knowledge of job profile.	
	2. Skills required to perform or to execute the job profile.	
Based on responsibilities and obligations	1. Attendance and participation 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 awards.	
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 and acquisitions	1. Number of mergers and acquisitions ("**M&A**") 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. Level of talent retained at low, mid and top level.	
Based on core	1. Review of detailed compliances applicable under the various laws,	

governance and compliance management	rules and regulations.	
	2. Reviewing whether the business is running legally or not.	
Based on annual targets	1. Targets achieved in domestic and international sales and marketing.	
	2. Targets achieved in manufacturing activity.	
Based on expansion and 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 of management	1. Strategy to resolve the conflict of interest in other Directors.	
	2. Strategy to resolve the conflict of interest in other employees.	
Based on financial and operational control mechanism	1. Control on financial dealings.	
	2. Control on internal operational activities.	
Based on maintaining of corporate culture and moral values	1. Initiatives to maintaining corporate culture of the Company.	
	2. Initiatives 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 maintain high level of ethics.	
Based on compliance with the Code of Conduct for Board of Directors and Senior Management Personnel	1. Functioning of duties and responsibilities as per the Code of Conduct for Board of Directors and senior management personnel.	
	2. Abidance and behavior in accordance with Code of Conduct for Board of Directors and Senior Management Personnel.	
Based on the in-general knowledge and skills	1. Skills required for carrying out business activities.	
	2. Communication skills and quick responsiveness.	

B. EVALUATION OF THE PERFORMANCE

The Committee shall evaluate the performance of each Director as per the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of Section 178 of the Act and based on their functions as mentioned in the Code of Conduct of the Directors and Senior Management Personnel and the criteria for the evaluation of the performance as prescribed in Paragraph 6 of this Policy.

Evaluation of Independent Director shall be carried on by the entire Board which shall include –

(a) performance of the Directors; and

(b) fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who are subject to evaluation shall not be allowed to participate.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the

Committee shall provide the ratings based on each criteria and sub-criteria.

C. EFFECTIVENESS OF THE BOARD

Based on the ratings given by the Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the appointments, re-appointments and removal of the non-performing Directors of the Company.

5. SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS

Evaluation of the executive Directors shall be carried out by entire Board except the executive Director being evaluated. The meeting for the purpose of evaluation of performance of Board members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Committee for performance evaluation on its website for the reference and also in the annual report of the Company.

6. CRITERIA FOR EVALUATION OF PERFORMANCE

The Committee has laid down the criteria for evaluation of performance of executive Directors, Independent Directors, Chairman and the Board:

1. Attendance and contribution at Board and Committee meetings.

2. His / her stature, appropriate mix of expertise, skills, behaviour, 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. His / her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.

5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.

6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.

7. 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.

8. His / her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.

9. Quality of decision making on source of raw material / procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.

10. 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.

11. His / her contribution to enhance overall brand image of the Company.

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COMPANY – BOARD MEMBER FEEDBACK

The Company believes in value for its stakeholders through ethical processes and integrity. The Board plays a very important role in ensuring the Company's performance is monitored 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 to the Board deliberations.

Name of the Director: _____

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

Description	Rating	Remark
1. Participation and attendance in Board and Committee meetings actively and consistently		
2. Prepare 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 in consensus oriented		
8. Helps to create brand image of the Company and helps the Company wherever possible to resolve issues, if any		
9. Actively contributes towards growth of the Company		
10. Conduct himself/herself in a manner that is ethical and consistent with the laws of land		
Total Ratings		

[Note: Rating 90 and above - excellent, between 75 to 89 - Very good, between 60 - 74 - Good, between 35 to 59 - Satisfactory and less than 35 - Unsatisfactory]

7. PROCEDURE TO RATE THE PERFORMANCE

Based on evaluation criteria, the Committee and the Board shall rate the performance of the each and every Director. 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.