

# **POLICY FOR FORMULATION OF CRITERIA FOR EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS OF MEGA NIRMAN AND INDUSTRIES LIMITED**

## **1. INTRODUCTION**

Mega Nirman and Industries Limited (the “Company”) recognises the importance of 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 Code of Conduct for the Board and the Senior Management (the “Code”).

Therefore, the Company has formulated and adopted this policy for evaluation of the performance of the board of directors (the “Board”) of the Company (the “Policy”) to comply with various applicable provisions under the Companies Act, 2013, as amended (the “Companies Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “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 in clause (p) of sub-section (3) of Section 134 of the Companies Act.

## **2. DEFINITIONS**

- i. “Act” means the Companies Act, 2013, as amended from time to time and the rules made thereunder.
- ii. “Company” means Tata Technologies 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, in relation to the Company, and 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) to be read with Section 149 (5) of the Act.
- vi. “Listing Regulations” means Securities 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. OBJECTIVES**

The objective of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the Board. The Policy is to assess and enhance the effectiveness of the Board as a whole. An Individual director is assessed on his/ her effective contribution and commitment to the role and responsibilities as a director.

### **4. EVALUATION OF 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.

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 criterion and sub-criteria.

The NRC Chairman would convene an Annual Independent Director (ID) meeting to review performance of the Board as a whole. (In the same meeting the IDs will also review the performance of the non-independent Non-Executive Directors (NEDs) and Chairman)

Evaluation of the independent directors of the Company shall be carried out by the Board, excluding the independent director being evaluated. Report of the ID meeting is to be provided to the Chairman of the Board by the NRC Chairman

The following shall be evaluated:

- (i) The performance of the directors
- (ii) Fulfilment of the independence criteria as specified in the SEBI Listing Regulations
- (iii) Their independence from the Company and other directors and there is no conflict of interest

## 5. **CRITERIA FOR EVALUATION OF PERFORMANCE**

### **A) Board Evaluation**

- The structure and composition of the Board and its committees are appropriate and aligned with the scale and nature of the business.
- The Board possesses a clear understanding of the Company's mission and actively contributes to long-term strategic planning and direction.
- Adequate measures are in place to ensure that newly appointed Board members receive timely and comprehensive orientation.
- Board meeting agendas are well-structured and balanced, ensuring sufficient attention is given to key and critical matters.
- The Board acknowledges its responsibility in policy formulation and periodically reviews and updates policies as required.
- The Board evaluates and approves the operating budget and business plan, and ensures consistent monitoring of performance against the same.
- Discussions during Board meetings are constructive, lead to clear decisions with actionable outcomes, and are conducted in a professional and respectful manner.
- Newly inducted Board members actively participate in orientation programs to familiarize themselves with the Company, its operations, and their roles and responsibilities.

### **B) Evaluation of Individual Directors (including Independent Directors)**

- Attendance and meaningful participation in Board and committee meetings.
- Demonstration of expertise, experience, leadership qualities, professional conduct, and alignment with the Company's values and strategic objectives.
- Knowledge and understanding of key areas such as finance, accounting, legal matters, investments, marketing, foreign exchange, risk management, internal controls, business operations, and corporate governance.
- Ability to promote a high-performance culture and contribute to insightful, constructive, and well-informed discussions.

- Effectiveness in decision-making, including the ability to respond positively and implement decisions in a transparent manner.
- Maintenance of open and effective communication with management and fellow Board members, upholding integrity and ethical standards.
- Clear understanding of their role and responsibilities, and the ability to make objective and collective decisions in the best interest of the Company.
- Some indicative areas for evaluation of IDs include:
  - Attendance (as captured from records of meetings)
  - Contribution at Board meetings
  - Guidance/ support to management outside Board/ committee meetings
- Demonstration of sound judgment, mental and physical fitness, and a balanced perspective including on corporate social responsibility initiatives.
- Capability to oversee management performance and ensure the adequacy and integrity of financial controls and systems, while maintaining appropriate engagement with stakeholders.
- Contribution towards strengthening and enhancing the Company's reputation and brand value.
- Adherence to high standards of integrity, ethics, and compliance with the Company's Code of Conduct.

## **C) Committee Evaluation**

- Committees are appropriately constituted with the right mix and number of members, ensuring effectiveness in functioning.
- The composition, scope, roles, and responsibilities of committees comply with applicable laws and are diligently followed by members.
- Committee agendas are well-planned and balanced, with timely provision of accurate and relevant information to support informed decision-making by the Board.
- Committee meetings are conducted effectively, encouraging open dialogue, active participation, and well-reasoned resolution of issues.

## EVALUATION TOOL

Score	Rating
5	Outstanding
4	Exceeds Expectation
3	Meets Expectation
2	Needs Improvement
1	Poor

Category	S. No.	Criteria	1	2	3	4	5
<b>Board Composition &amp; Quality</b>	1	Board has appropriate expertise, and experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2	Mix of industry knowledge and diversity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3	Transparent appointment process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4	Roles and responsibilities documented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5	Independent directors act independently	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6	Integrity and conflict management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7	Understanding of strategy, risks, controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8	Understanding of legal obligations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9	Goal setting and performance evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	10	Stakeholder identification and communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	11	Compliance monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	12	Succession plan exists	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	13	Committees with defined roles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	14	Investor grievance mechanism review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Board Meetings &amp; Procedures</b>	1	Annual calendar planned in advance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2	Agenda quality and clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3	Timely information sharing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4	Attendance and participation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5	Meeting frequency adequate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6	Video conferencing facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7	Quality of discussions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8	Accuracy of minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Category	S. No.	Criteria	1	2	3	4	5
	9	Updates between meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	10	Independent directors' meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	11	Secretarial support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	12	Understanding of D&O insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	13	Recording of resolutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Board Development</b>	1	Induction program effectiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2	Communication of development opportunities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Board Strategy &amp; Risk Management</b>	1	Focus on long-term strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2	Future readiness of plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3	Risk understanding and mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4	Periodic review of strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5	Risk framework review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6	Monitoring long-term goals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7	Internal controls and compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8	Vigil mechanism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Board &amp; Management Relations</b>	1	Sets tone and direction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2	Policy framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3	Performance monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4	Awareness of company issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5	Reviews deviations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6	Culture and values	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7	Communication effectiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8	Management independence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Overall Rating of Board Performance \_\_\_\_\_

Comments \_\_\_\_\_

Suggestions for Improvement

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

Name of Director \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Part II**  
**Director Self-Assessment / Peer Review Table**

Score	Meaning
1	Poor
2	Needs Improvement
3	Meets Expectations
4	Exceeds Expectations
5	Outstanding

S. No.	Criteria	1	2	3	4	5
	<b>KNOWLEDGEABLE</b>					
1	duties, responsibilities, qualifications, disqualifications and liabilities as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Brings relevant experience to the board and uses it effectively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Understands vision, mission, strategic plan and key issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Keeps updated on trends, risks, opportunities and competitive factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Participates in professional development programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Management communication enhances company-specific understanding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>DILLIGENCE AND PARTICIPATION</b>					
1	Regularly attends board, committee, and general meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Prepares in advance for meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Communicates clearly and persuasively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Exercises independent judgment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Encourages improvements in board processes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Encourages participation from others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Raises relevant issues and asks meaningful questions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Adds value to decision making	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Ensures dissent is recorded when necessary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Maintains confidentiality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Complies with legal obligations and code of conduct	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Reports unethical behaviour or suspected fraud	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**PART III**  
**NON-EXECUTIVE DIRECTOR AND INDEPENDENT DIRECTOR EVALUATION FORM**

Score	Meaning
1	Poor
2	Needs Improvement
3	Meets Expectations
4	Exceeds Expectations
5	Outstanding

Name of Director: \_\_\_\_\_

Category: Independent / Non-Executive

S. No.	Evaluation Factor	1	2	3	4	5
	<b>Participation at Board / Committee Meetings</b>					
1	Director comes well prepared and informed for meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Ability to remain focused at governance level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Contributions are high quality and innovative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Promotes mutual trust and respect within Board/Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Effectively manages relationships with board members and senior management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Understands governance, regulatory, financial, fiduciary, and ethical requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Keeps knowledge updated (governance, financial reporting, industry trends)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Listens and considers views of others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

S. No. Suggestions

a) \_\_\_\_\_

b) \_\_\_\_\_

Authorization

Name of Director \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

## **6) CONFLICT IN POLICY**

In the event of any conflict between the Companies Act, 2013 or the SEBI regulations or any other statutory enactments (“Regulations”) and the provisions of this Policy, the Regulations shall prevail over this Policy.

## **7) AMENDMENTS**

Any subsequent amendment/modification in the Companies Act, SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

## **8) REVIEW OF POLICY**

The Board has the power to review this Policy annually on recommendation by the Nomination and Remuneration Committee.