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BVG INDIA LIMITED

Policy for Evaluation of Performance of
Board of Directors

BVG INDIA LIMITED

POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

1. Introduction

BVG India Limited 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 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. 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 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 the 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) annexed to 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 BVG India 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. Objective

The object of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the entire Board. Further, 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 the clause (p) of sub section (3) of Section 134 of the Act.

CRITERIA FOR EVALUATION

Rating scale: 1-Strongly Disagree, 2-Disagree, 3-No Opinion, 4-Agree, 5- Strongly Agree

Evaluation Criteria	1	2	3	4	5
The Board knows and understands the Company’s mission and reflects this understanding when addressing key issues					
The Board engages in long-range strategic thinking and planning and foster’s to achieve the same					
The Board stays abreast of issues and trends affecting the plan, using this information to guide the organization over the long term.					
Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
The Board and Committee meetings agenda is well- balanced, allowing appropriate time for the most critical issues and meetings are of reasonable length					
The composition (including mix of members), terms of reference, roles and responsibilities of the committees are in line with the prevalent regulations and are adhered to by the members.					
The Committees are effective, focusing on pertinent topics and allocating reasonable time					
The Board receives timely, accurate, and useful information based upon which to make decisions.					
Board expectations, and concerns are promptly, candidly, and effectively communicated to the Chairman of the Board.					
The Board anticipates issues and does not often find itself reacting to “crisis” situations.					

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.



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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.

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: **O**- Outstanding, **VG**- Very Good, **G**-Good, **F**-Fair, **NI**- Needs Improvement

Question:	O	VG	G	F	NI
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					

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.

Record of Release:

Version	Release Date	Summary of Change
V0	May 26, 2025	New policy – First adoption as per Applicable Acts/Regulations

This document supersedes any previous policy/ communication on this subject.