

JAIN IRRIGATION SYSTEMS LIMITED

PERFORMANCE EVALUATION POLICY

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PERFORMANCE EVALUATION POLICY

1. BACKGROUND

In accordance with the provisions of section 149 read with code of independent directors (Schedule IV) of the companies Act, 2013 and conditions of Corporate Governance, Nomination and Remuneration Committee shall lay down the evaluation criteria for performance evaluation of independent directors.

The Company shall disclose the criteria for performance evaluation, in its Annual Report.

2. SCOPE

The Board of the Company undertakes a formal and rigorous annual evaluation of its own performance as well as its Committees and individual Directors. It is the responsibility of the Board of Directors as a whole with the assistance of the Nomination, Remuneration and Compensation Committee ("NRC"), to conduct the evaluation process for the Board, its Committees and individual Independent Directors. The Independent Directors ("IDs") are responsible for performance review of the following:

- A. Chairperson, taking into accounts the views of Executive and Non-executive Directors;
- B. Board as a whole;
- C. Non-Independent Directors or Executive Directors

The NRC is responsible for performance review of the individual Directors.

The evaluation process will be used constructively and the Chairperson will act on the results to improve board effectiveness, maximize strengths and tackle weaknesses.

3. PROCEDURE/MECHANISM/PROCESS

A. Performance Evaluation of Board

- ❖ Evaluation of the Board will be carried out by each Director. The evaluation process will consist of a number of questions which the evaluator(s) will consider.
- ❖ Performance of Board will be discussed by the IDs (in their separate meeting) and also by the Board.

A non-exhaustive list of questions that will be used is set out below:

- How well has the Board performed against any performance objectives that have been set?
- What has been the Board's contribution to the development of strategy, and for ensuring robust and effective risk management?
- Has the Board responded effectively to any problems or crises that have emerged and could/should these have been foreseen?
- How effective are the Board's committees?
- Are the matters specifically reserved for the Board the right ones?
- Is the composition of the Board and its committees appropriate, with the right mix of knowledge and skills to maximise performance in the light of future strategy?
- Are relationships inside and outside the Board working effectively?
- How well does the Board communicate with its committees, Senior Management and KMPs?
- How effectively does it use mechanisms such as the AGM and the Annual Report?
- Is the Board as a whole up to date with the latest developments in the regulatory environment and the market?
- Is timely information of appropriate length and quality provided to the Board and is management responsive to requests for clarification? Does the Board provide helpful feedback to management on its requirements?
- Are sufficient Board and committee meetings of appropriate length held to enable proper consideration of issues? Is time used effectively?
- Are Board procedures conducive to effective performance and flexible enough to deal with all eventualities?

B. Performance Evaluation of Board Committees

- ❖ Evaluation of the Board Committee will be carried out by Board of Directors as a whole. The evaluation process will consist of a number of questions which the Directors, as evaluators, will consider for various committees.
- ❖ Performance of all the Committees will be discussed and deliberated by the Board. A non-exhaustive list of questions that will be used is set out below:

- Does the Committee have full and common understanding of its roles and responsibilities?
- How effective the Committee has been vis-à-vis the roles and responsibilities assigned to it?
- Are the matters specifically reserved for the Committee the right ones?
- Is the composition of the Committee appropriate, with the right mix of knowledge and skills to maximize the performance in the light of future strategy?
- Do the Committee members receive the information in a timely manner and come to meetings familiar with the agendas, back up reports and other materials circulated before hand?
- How well does the Committee communicate with the Board, Senior Management and KMPs?
- Is the Committee as a whole up to date with the latest developments in the regulatory environment and the market pertaining to its area?
- Is timely information of appropriate length and quality provided to the Committee and is management responsive to the request for clarification? Does the Committee provide helpful feedback to the management on its requirements?
- Are sufficient Committee meetings held to enable proper consideration of the issues? Is time used effectively?

C. Performance Evaluation of Chairperson of the Company

- ❖ Evaluation of the Chairperson will be carried out by IDs. IDs will take into account the views of Executive Directors and Non-executive Directors. The evaluation process will consist of a number of questions which IDs, as evaluators, will consider in relation to the Chairperson.
- ❖ Performance of the Chairperson will be discussed by IDs in their separate meeting. A non-exhaustive list of questions that will be used is set out below:
 - Is the Chairperson demonstrating effective leadership of the Board?
 - Are relationships and communications with the shareholders well managed?
 - Are relationships and communications with the Board constructive?
 - Are the processes for settling the agenda working? Do they enable the Board members

to raise issues and concerns?

- Is the Company Secretary being used appropriately and to the maximum value?

D. Performance Evaluation of Individual Directors

- ◆ Evaluation of the individual Directors will be carried out by all other Directors on the Board except the concerned Director himself. The evaluation process will consist of a number of questions which the Directors, as evaluators, will consider in relation to the individual Director.
- ◆ Performance of the Directors will be discussed by:
 - NRC will carry out a review
 - IDs in their separate meeting (of all Non-Independent Directors)
 - Board will carry out an evaluation based on inputs from NRC and Independent Directors' meetings.

The aim of individual evaluation is to show whether each Director continues to contribute effectively and to demonstrate commitment to the role (including commitment of time for the Board and Committee meetings and any other duties). The evaluator and other board members should consider the relevant questions in relation to the individual Director and the individual Director should also consider them by way of self-assessment. The evaluator(s) will then conduct individual meetings with each Director, to discuss their individual performance.

A non-exhaustive list of questions that will be used in individual performance evaluation (which will depend on the executive or non-executive status of the Director) include:

- How well prepared and informed are they for Board / Committee meetings and is their meeting attendance satisfactory?
- Do they demonstrate a willingness to devote time and effort to understand the Company and its business and a readiness to participate in events outside the boardroom, such as site visits?
- What has been the quality and value of their contributions at the Board / Committee meetings?
- How successfully have they brought their knowledge and experience to bear in the consideration of strategy?
- How effectively have they probed to test information and assumptions? Where necessary, how resolute are they in maintaining their own views and resisting pressure from others?
- How effectively and proactively have they followed up their areas of concern?
- How effective and successful are their relationships with fellow Board members, the Company Secretary and Senior Management? Does their performance and behavior engender mutual trust and respect within the board?

- How actively and successfully do they refresh their knowledge and skills? Are they up to date with the latest developments in their areas of responsibility (such as corporate governance, financial reporting, etc.) and industry and market conditions?
- How well do they communicate with fellow Board members, Senior Management and others, for example shareholders? Are they able to present their views convincingly yet diplomatically and do they listen and take on board the views of others?

4. DISCLOSURE

The results of Board and Committee evaluation will be shared with the Board as a whole and the respective Committees.

The Annual Report will include criteria followed for performance review and evaluation and manner of performance evaluation of the Board, its Committees and individual Directors whether Independent or Executive.

5. STATUS OF THE POLICY

This document does not form part of any Directors' terms and conditions of appointment or employment. Based on the recommendation of the NRC, the Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the Act, Listing Agreement and/or any other applicable law or regulation.

This Performance Evaluation Policy has been approved by the Board 2nd September, 2015, on recommendation of the Nomination, Remuneration or Compensation Committee. It shall be effective from FY 2015.

6. Annexure I Performance evaluation of Independent Director/Executive Director/Chairman

You are required to rate the director on following rating scale and put the marks assigned against each rating scale.

Sl. No.	Rating Scale	Marks assigned
1	Consistently good	4
2	Somewhat adequate	3
3	Needs improvement	2
4	Needs significant improvement	1

Executive Directors' Evaluation Tool
Confidential : For use for Directors of the Company
1. Objective of this evaluation is to provide feedback to the Executive Directors on their performance and to take self-corrective action if and where needed. It is mandatory under the Companies Act, 2013 (Schedule IV) for the Independent Directors to assess the non-Independent Directors. (In reviewing the Chairman's performance, the independent directors have to take into account the views of the Executive Directors and Non-Executive Directors)
2. Evaluation contained in the templates in the workbook will be anonymous
3. The evaluation sheet carries statements containing certain "desirable attributes" of Director.

S.No	Desirable Attributes	Evaluation Score			
		Needs Significant improvement	Needs improvement	Somewhat adequate	Consistently good
1	Director's Vision, Business & Industry Knowledge & Expertise				
a	Has a long term vision for the Company, has business acumen, and provides entrepreneurial leadership to the Company/Strategic Business units/segment he leads and sets the strategic vision				
b	Has a good understanding of the Company's business, industry dynamics, competitive trends including the global trends, and inherent business risks				
c	Willing to experiment and adopt innovative strategies for changing the company's business landscape				

d.	Able to see the big picture and also has eye for details				
e	Seeks out expertise and support from external experts where needed				
f	Has an urge to initiate changes in existing work processes and methods to bring about continuous improvement in operational efficiency, drive down operational cost, and sharpen Co's competitive edge				
g.	Has good grounding and understanding of regulatory systems, laws and regulations				
h.	He has undertaken appropriate induction and regularly updates and refreshes his skills, knowledge and familiarity with the Company				
2	Director's Business Commitment & Organizational Leadership				
a	As whole time Director, fully committed and devoted to the Company's business				
b	Leads from the front				
c	Provides ethical leadership. Walks the talk, and sets the tone for the rank and file				
d.	Diligently executes all responsibilities and actions delegated to him				
e	Is a good team player				
3	Director's Engagement at the Board deliberations				

a	Attends Board/Committee meetings regularly - Studies the agenda and comes well prepared for the meetings				
b	Provides constructive guidance and opinion during Board deliberations				
c	Director respects and is receptive to the views/suggestions of other Directors				
d	He helped in placing adequate and functional vigil mechanism in the company in accordance with the provisions of the Companies Act, 2013 and conditions of Corporate Governance				
4	Integrity & Honesty				
a	Places Company's interest ahead of personal interest				
b	Avoids actual and potential conflict of interests while serving				
c	Maintains absolute transparency and integrity in all transactions relating to the company and promptly discloses any personal interest				
d	He is careful about reporting of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct whenever he finds it necessary				
Date					

Independent Directors' Evaluation Tool
Confidential : For use for Directors of the Company
<p>Board evaluation is mandated under S 178(2) of the Companies Act, 2013, which states "evaluation of each Director of the Board" is to be done by Nomination & Remuneration Committee. Schedule IV of the Companies Act, 2013 however states that the evaluation of Ind. Directors shall be done by the entire Board excluding the Director being evaluated and based on the report of performance evaluation; it shall be determined whether to extend or continue his tenure. In view of the new provision, Independent Director may deliberate upon the format for evaluation and also process to be followed. In the Annual Report, Company has to disclose the key attributes under which the performance evaluation is done. Similar exercise will have to be carried out for Executive Directors and non-Executive Chairman by Independent Directors.</p>
<p>1. Objective of this evaluation to provide feedback to the Directors on their performance on the Board based on the peerevaluation and to take self-corrective action if and where needed. It is mandatory under the Companies Act, 2013 (Section 178 (2) & Schedule IV) for the Board collectively to assess both the Independent Directors and Executive Directors</p>
<p>2. Evaluation contained in the templates in the workbook will be anonymous</p>
<p>3. In the Evaluation sheet, the names of Independent Directors being evaluated is given .Due to spacing constraints in the template, names are indicated by the serial number of Directors as appearing herein. D1. Mr. Ghanshyam Dass D2. Mr. D. R. Mehta D3. Mr. V. V. Warty. D.4. Mr. Arun Kumar Jain. D.5 Mr. H. P. Singh. D.6 Mrs. Radhika Pereira.</p>
<p>4. The evaluation sheet carries statements containing certain "desirable attributes" of Director. Your evaluation of each Director against these desirable attributes can be assessed broadly under</p>
<p>5. Post evaluation, Chairman of the Board will hold discussions on to one basis with the Independent Directors and provide feedback</p>

S.No	Desirable Attributes	Assessment			
		Director 1 (D-1)	D2	D3	D4
1	Director's Knowledge & Expertise				
a.	Director possesses adequate experience in industry/business /profession and is knowledgeable to give dispassionate and independent advice on matters that arise at the Board/Committees.				
b	Has a good understanding of the Company's business, industry dynamics and inherent risks				

2	Specific Competency and Professional Experience /Expertise				
a	Director has specific competence and professional experience in the field of ----- which is quite relevant/useful to the Company's business and enhances Board diversity				
b	Possesses a skill set that complements those of other Directors				
c	Has multi-Board experience				
d	Has adequate financial expertise to read financial statements, understand financial ratios and other indices				
e	Has basic understanding of regulatory systems, laws and regulations				
3	Board Engagement & Time Commitment (Attendance, Meeting Preparation & Participation)				
a	Attends regularly Board/Committee meetings				
b	Studies the agenda and comes well prepared for the meetings				
c	Actively participates at the meeting, asks relevant questions and expects satisfactory answer and voices dissent where appropriate				
d	Respects and is receptive to the views /suggestions of fellow members of the Board				
e	Is a Team Player				
4	Integrity & Honesty				
a	Places Company's interest ahead of personal interest				
b	Avoids actual and potential conflict of interests while serving on the Board				
Date					

Chairman's Evaluation Tools

Sl. No.	Desirable Attributes	Evaluation Scores			
		Needs significant improvement	Needs improvement	Somewhat adequate	Consistently good
1	The Chairperson leads the Board effectively				
2	Ensure participation of all members in the Board deliberations				
3	Ensures directors are as fully informed as possible on any issue where decision is required				
4	Guides the Board /Management on key issues to be brought up to the Board for deliberations				
5	Guides the Board/Management on any major initiative to be taken for improved Corporate Governance and regulatory compliance				
6	Enhances the Company's image in dealing with major stakeholders				
Date					