

## Board Evaluation Policy of Balaxi Pharmaceuticals Limited

<b>Name of the Document</b>	Board Evaluation Policy
<b>Version</b>	2
<b>Date of approval from NRC Committee</b>	January 31, 2023
<b>Effective Date of Policy</b>	January 31, 2023
<b>Last Amended Date</b>	February 12, 2018

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## **Board Evaluation Policy**

### **1) Introduction:**

As one of the most important functions of the Board of Directors is to oversee the functioning of company's top management, this policy aims at establishing a procedure for conducting periodical evaluation of directors' performance and formulating the criteria for determining qualification, positive attribute and independence of each and every director of the company in order to effectively determine issues relating to remuneration of every director, key managerial personnel and other employees of the company. This policy further aims at ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties. In addition, the Nomination and Remuneration Committee shall carry out the evaluation of the performance of every director, key managerial personnel in accordance with the criteria laid down.

### **2) Objective:**

The object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company

### **3) Evaluation Criteria:**

#### **Board of Directors will be evaluated on the following criteria:**

#### **A. Structure of the Board:**

- 1) Competency of Directors
- 2) Experience of Directors
- 3) Mix of Qualifications
- 4) Diversity in Board under various parameters
- 5) Appointment to the Board

#### **B. Meetings of the Board:**

- 6) Regularity of the Meetings
- 7) Frequency
- 8) Logistics
- 9) Agenda
- 10) Discussions and Dissent
- 11) Recording of Minutes
- 12) Dissemination of Information

**C. Functions of the Board:**

- 13) Role & Responsibilities of the Board
- 14) Strategy
- 15) Governance and Compliance
- 16) Evaluation of Risks
- 17) Grievance Redressal for Investors
- 18) Conflict of Interest
- 19) Stakeholder Value and Responsibility
- 20) Corporate Culture and Values
- 21) Review of Board Evaluation
- 22) Facilitation of Independent Directors

**D. Board and Management:**

- 23) Evaluation of the Performance of the management and feedback
- 24) Independence of the Management from the Board
- 25) Access of the management to the Board and Board access to the management
- 26) Secretarial Support
- 27) Fund availability
- 28) Succession Plan
- 29) Professional Development

**Board Committees will be evaluated on the following criteria:**

- 1) Mandate and Composition
- 2) Effectiveness of the Committee
- 3) Structure of the Committee and Meetings
- 4) Independence of the Committee from the Board
- 5) Contribution to decisions of the Board

**Individual Directors will be evaluated on the following criteria:**

**General:**

- 1) Qualifications
- 2) Experience
- 3) Knowledge and Competency
- 4) Fulfilment of Functions
- 5) Ability to function as a team
- 6) Initiative
- 7) Availability and Attendance
- 8) Commitment
- 9) Contribution
- 10) Integrity

**Additional Criteria for Independent Director:**

- 1) Independence
- 2) Independent views and judgement

**Additional Criteria for Chairperson:**

- 1) Effectiveness of Leadership and ability to steer the meetings
- 2) Impartiality
- 3) Commitment
- 4) Ability to keep shareholders' interests in mind

**4) Manner of Evaluation:**

The manner for performance evaluation is given below:

<b>Sno.</b>	<b>Particulars</b>	<b>Manner of Evaluation</b>
1)	Nomination and Remuneration Committee (NRC)	<ul style="list-style-type: none"><li>- NRC shall carry out evaluation of every director's performance.</li><li>- NRC shall determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.</li></ul>
2)	Independent Directors in their meeting	<ul style="list-style-type: none"><li>- In the meeting of independent directors of the company (without the attendance of non-independent directors and management), such directors shall:<ul style="list-style-type: none"><li>(i) review the performance of non-independent directors and the Board as a whole.</li><li>(ii) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.</li><li>(iii) 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.</li></ul></li></ul>

3)	Board of Directors	<ul style="list-style-type: none"><li>- Board will evaluate its own performance, performance of its committees and individual directors.</li> <li>- The performance evaluation of the Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.</li></ul>
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**5) Policy Review:**

The Nomination and Remuneration Committee reserves the right to review and amend this policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by approval at a meeting of the Nomination and Remuneration Committee.

**6) Disclosure:**

In accordance with the requirement under the Companies Act, 2013, disclosure regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various committees of directors and individual directors' performance will be made by the Board of Directors in the Board's Report. Further, the Board's Report containing such statement will be made available for the review of shareholders at the general meeting of the Company.

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