



**ORIENT ABRASIVES LIMITED**  
Regd. Office : GIDC Industrial Area, Porbandar, Gujarat- 360577  
E-mail : [ho@oalindia.com](mailto:ho@oalindia.com) Website : <http://www.orientabrasives.com>  
CIN L24299GJ1971PLC093248

Orient Abrasives Limited

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**PERFORMANCE EVALUATION POLICY**



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### **PERFORMANCE EVALUATION POLICY**

#### **Introduction:**

As prescribed under section 178 of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of Orient Abrasives Limited (“the Company”) has formulated a policy setting out the criteria for the performance of Directors, Managerial Personnel and the Board as a whole including its Committee, if any. Based on the performance evaluation to be carried out by the Board, remuneration of Directors / Management Personnel shall be determined.

This policy aims at establishing a procedure for conducting periodical evaluation of Directors /Management Personnel’s performance and formulating the criteria for determining qualification, positive attribute and independence of each Director of the Company in order to effectively determine issues relating to remuneration of every Director / Managerial Personnel 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.

#### **ROLE OF BOARD AND INDEPENDENT DIRECTORS:**

In conformity with the requirement of the Act, the performance evaluation of all the Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The Independent Directors of the Company shall meet at least once in a year to discuss & review among others the performance of the Non-Independent Directors and the Board as a whole after taking into account the views of Executive Directors and Non-Executive Directors.

#### **EVALUATION CRITERIA:**

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular Director. Such evaluation factors may vary in accordance with their respective functions and duties.

In respect of each of the evaluation parameters, various descriptors have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual Directors, as such evaluation factors may vary in accordance with their respective functions and duties.

#### **A. Evaluation of Independent Directors:**

While evaluating the performance of Independent Directors the following points needs to be considered:

- Attendance and participations in the meetings and timely inputs on the minutes of the meetings of the Board and Committee’s, if any.
- Raising of concerns to the Board and rendering independent, unbiased opinion and resolution of issues at meetings.
- Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information.
- Adherence to ethical standards & code of conduct of Company and disclosure of non-independence, as and when it exists and disclosure of interest



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- Understanding of the Company and the external environment in which it operates and contribution to strategic direction.

### **B. Evaluation of Non-Independent/ Executive Directors and Management Personnel:**

While evaluating the performance of Non-Independent Directors/Executive Directors the following points needs to be considered:

- Leadership initiative
- Contribution towards growth of the Company including actual vis-a-vis budgeted performance.
- Initiative in terms of new ideas and planning for the Company
- Professional skills, problem solving and decision making
- Compliance with policies of the Company, ethics, Code of Conduct etc.
- Reporting of frauds, violations etc.
- Interpersonal and communication skills.
- Attendance, participations in the meetings and timely inputs on the minutes of the meetings.

### **C. Evaluation of Board of Directors:**

While evaluating the Performance of the Board of Directors as a whole the following points needs to be considered:

- Is the composition of the Board appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy.
- The Board of Directors of the Company is effective in decision making.
- The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.
- The Board reviews the organization's performance in carrying out the stated mission on a regular basis.
- The Board of Directors is effective in providing necessary advice and suggestions to the Company's Management.
- Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.
- The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.
- The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.
- Company has necessary Committees which are required and these Committees are working Effectively.
- The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.
- The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance.



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#### **REVIEW OF THE POLICY**

The Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

#### **DISCLOSURE**

The Company will disclose details of its Board Performance Evaluation processes in its Board's Report. The Board's report containing such statement shall indicate the manner in which formal evaluation has been made by the Board of its own performance and individual directors of the Company.