

GOLDSTAR POWER LIMITED

(formerly known as Goldstar Battery Private Limited)

EVALUATION OF BOARD, COMMITTEES OF THE BOARD & BOARD MEMBERS

Background

It is important that the Board, Board Committees and individual Directors are evaluated on the effectiveness of their performance in a rigorous and structured manner to ensure that their contribution is reflected in the growth of the Company whilst adhering to highest corporate governance standards. The Companies Act, 2013 (the Act) also provides for the evaluation of the Board, its Committees and individual Directors. The Act requires disclosure in the Board's Report of the manner in which a formal annual evaluation has been made by the Board of its own performance and that of its Committee and Individual Directors. The Act has tasked the Nomination & Remuneration Committee of the Board with evaluation of each Director.

1. The Board

The Chairman in consultation with the Independent Director to be nominated by the Independent Directors shall lead the process of evaluation of the Board as a whole. The Company Secretary shall be responsible for organizing such an evaluation.

Following each evaluation, a report shall be prepared based on appropriate interviews and responses to questionnaires. The report shall be reviewed and discussed by the Board following its submission to the Board by the Chairman. Thereafter, the Chairman, with the support from the Company Secretary shall implement the actions that the Board decides as appropriate.

2. Board Committees

Each Chairman of a Board Committee shall lead the process of evaluating the performance of that Committee. This includes taking the views of the Board on the performance of that Committee, the delivery of performance against the terms of reference of the Committee.

The Chairman of the Committee shall report the results of the process to the Board and such report shall form part of Annual Report of the Company.

3. Individual Directors (Other than Chairman)

The Chairman in consultation with the Independent Director shall conduct the process of evaluating the performance of individual Directors in their role as a member of the Board.

3.1 Non Executive Directors

For Non-Executive Directors, such evaluation shall be based on criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in strategy Board Meetings etc.

3.2 Executive Directors

The criteria for evaluation of Executive Directors will include the annual work plan of the concerned Executive Director and delivery against the same, assessment made by the Line Manager in addition to the above criteria laid down for Independent Directors to the extent applicable.

3.3 Chairman

The Independent Director shall lead the evaluation process whereby the Board evaluates the performance of the Chairman. In this process, the Independent Director shall consult the Executive Directors and fellow Non-Executive Directors.

The Senior Independent Director shall share the results of the assessment with the Chairman. These individual assessments should be taken into account in the evaluation of the performance of the Board as a whole.

4. Timing

The evaluations will be carried out on an annual basis. All evaluations shall be designed to be completed before the meeting of Nomination and Remuneration Committee, to discuss remuneration packages and the nominations of candidates for election as Directors of the Company at the Annual General Meetings in the following year, are held.

The evaluation to assess the performance of the Board / Committee and Individual Directors shall also be conducted when a Director exits the Board of the Company.