

C K K RETAIL MART LIMITED

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CIN: U51909MH2005PLC151252

DIRECTORS' PERFORMANCE EVALUATION POLICY

(Approved by Board of Directors in its meeting held on 11.01.2024)

1. INTRODUCTION:

C K K Retail Mart Limited (hereinafter referred to as "**the Company**") 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 policy for its employees and also for the Board of Directors. 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.

Thus it is a Challenge for Board to prevent Crisis in the Company they govern. Performance evaluation is a key means by which boards can recognize and correct corporate governance problem and add real value to the Company.

"Behavioral psychologists and organizational learning experts agree that people and organisations cannot learn without feedback. No matter how good a Board is, it is bound to get better if it is reviewed intelligently."

2. APPLICABILITY:

The Company has made this policy to comply with various provisions under the Clause 49 of the Listing Agreement and also the Companies Act, 2013 which reproduces as "formal annual evaluation made by the Board of Directors 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 Companies Act, 2013." The Nomination & Remuneration Committee shall evaluate the performance of the each Board of Director as per subsection (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made there under.

The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis and in the best interest of the company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides

that a policy is to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner. With an aim to maintain a proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company.

This policy, which is framed to encourage open and frank evaluations of performance of Directors of **C K K Retail Mart Limited**, lays down the guidelines and mechanism for undertaking programmes of evaluation, and it is titled as the **“CKK Directors’ Evaluation Policy”**.

3. DEFINITIONS:

A. “the Act”

The Act shall mean The Companies Act, 2013

B. “the Company”

The Company shall mean **C K K Retail Mart Limited**.

C. “the Director” or “the Board”:

The Director or the Board, in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.

D. “the Independent Director”:

The Independent Director shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (5) of the Act.

E. “the Policy” or “this Policy”:

The policy or This Policy shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

F. “the Committee” or “this Committee”:

The Committee or This Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

4. 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.

5. EVALUATION OF PERFORMANCE:

The Committee shall evaluate the performance of each Board of Directors of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code of Conduct of the Directors and the criteria for the evaluation of the performance as prescribed in the clause 6 of this policy.

Evaluation of the Executive / Non –Executive Directors of the Company shall be carried out by entire Board except the Director being evaluated.

Evaluation of Independent Director shall also be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting 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 Nomination and Remuneration Committee for performance evaluation on its web site for the reference and also in the Annual Report of the Company.

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. The detail process of evaluation and ratings thereon are mentioned in the clause 6 and 7 of this policy respectively.

6. EFFECTIVENESS OF THE BOARD:

Based on the ratings given by the Nomination & Remuneration 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.

7. CRITERIA FOR EVALUATION OF PERFORMANCE:

The following parameters are herein provided for the purpose of evaluating the performance:

(A) FOR INDEPENDENT DIRECTORS

Some of the specific issues and concerns that should be considered in the performance evaluation of an Independent Director's, (the exercise in which the concerned director being evaluated shall not be included) are set out below:

1. Attendance and participations in the Meetings and timely inputs on the minutes of the meetings

2. Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest
3. Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
4. Interpersonal relations with other directors and management
5. 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.
6. 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.
7. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
8. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
9. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
10. 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.
11. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
12. 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.
13. 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.
14. His/her contribution to enhance overall brand image of the Company.

8. PROCEDURE TO RATE THE PERFORMANCE

Based on evaluation criteria, the Nomination & Remuneration 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.

9. REPORTING TO THE BOARD

The report on the evaluation process undertaken by the Nomination and Remuneration Committee shall be placed before the Board of Directors and it shall be approved by the Board of Directors in their meeting.

10. DISCLOSURE THROUGH ANNUAL REPORT

The Company will disclose the details of its Board Performance Evaluation Processes in its Board's Report and the key features of the Policy would also be included in the Corporate Governance Report contained in the Annual Report of the Company.

Further, the Board's report containing such statement will be made available to shareholders at the general meeting of the Company. The Policy will be available in the public domain i.e. on the website of the Company.

11. GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to Managing Director or the Secretarial Department of the Company. In all such matters, the interpretation & decision of the Managing Director shall be final.

Any or all provisions of the this Directors' Performance Evaluation Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Board of Directors of the Company reserves the right to review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

For **C K K RETAIL MART LIMITED**


Director