

**STOVE KRAFT LIMITED**  
**POLICY ON EVALUATION OF PERFORMANCE OF DIRECTORS AND THE**  
**BOARD**

**1. OBJECTIVE:**

This Policy aims to:

- (i) Ensure compliance of the applicable provisions of the Companies Act, 2013 (the “Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended or re-enacted from time to time) relating to the evaluation of performance of the Directors and the Board.
- (ii) Adopt best practices to manage the affairs of the Company in seamless manner.
- (iii) Achieve good corporate governance as well as sustained long-term value creation for stakeholders.

**2. EVALUATION:**

- (i) The Nomination and Remuneration Committee (“NRC”) shall carry out the evaluation of performance of every Director. The evaluation of performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated. Evaluation performance should be carried out at least once in a year.
- (ii) While evaluating the performance of the Non-Executive Directors (NEDs), the following parameters shall be considered:
  - (a) Attendance at meetings of the Board and Committees thereof,
  - (b) Participation in Board meetings or Committee thereof,
  - (c) Contribution to strategic decision making,
  - (d) Review of risk assessment and risk mitigation,
  - (e) Review of financial statements, business performance.
  - (f) Contribution to the enhancement of brand image of the Company.
- (iii) While evaluating the performance of the Managing Director and the Whole time Director, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company.
- (iv) Evaluation of performance shall be carried out at least once a year.

**Stove Kraft Limited**

#81/1 Medamaranahalli Village, Harohalli Hobli, Harohalli Industrial Area,  
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- v) The Company shall provide suitable technical or business related training to the Non-Executive Directors including Independent Directors. Any other need based training shall also be provided.

The evaluation of the Directors and the Board shall be carried out based on the questionnaire and feedback form which forms part as Annexure to this Policy.

THIS POLICY IS APPROVED BY THE BOARD OF DIRECTORS IN THE BOARD MEETING DATED JULY10, 2018



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### Annexure to the Performance Evaluation Policy

Stove Kraft Limited believes in value for its shareholders through ethical processes & integrity. The board plays a very important role in ensuring that the company performance is monitored and timely inputs are given to enhance its performance and set the right direction for profitable growth fully complying with relevant regulation requirements. As a board member request you to rate your experience on the following (1 being lowest and 5 being highest) –

Board Responsibility	Question	Rating	Remarks
Strategy	Board effectively provides strategic direction to the company.		
Performance Management	Board provides effective direction on key decisions impacting the performance of the company		
Execution, Investments and M&A	Board effectively reviews the financial performance of the company and suggests corrective actions		
Organization Health and Talent Management	Board advises on business investments and M&A's to benefit company growth and profitability.		
Risk Management	The Board effectively mentors the senior members of the company besides monitoring the succession plans of senior leaders.		
Core Governance & Compliance	Board ensures that the company values are adequately reflected in the way the company is run.		
Support to the Board	Board effectively reviews the risk management framework in the company and provides appropriate direction for corrective actions where necessary.		
Overall	Board strives towards adapting best practices in governance while also fully complying with the laws of land.		
	The process for setting the board agenda is		

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transparent, realistic to the current needs and meeting material is shared well in time.

The frequency and duration of the board meetings are adequate to ensure a proper discharge of all the responsibilities.

Overall board meeting is held in open and objective manner where there is adequate opportunity for members to share their views.

*Overall Feedback to improve the Board effectiveness further:-*



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### Board Member Feedback

Stove Kraft Limited (the “**Company**”) believes in value for its shareholders through ethical processes & integrity. The board plays a very important role in ensuring that the company performance is monitored and timely inputs are given to enhance its performance and set the right direction for growth. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

Feedback Recipient's Name: \_\_\_\_\_

Kindly rate the recipient on the scale of 1 to 5 (1 being least effective and 5 being highly effective) –

Question	Rating	Remarks
Participates in the board meetings actively		
Participates in the board meeting consistently.		
Prepares adequately for the board meetings		
Contributes to strategy and other areas impacting company performance		
Brings his/her experience and credibility to bear on the critical areas of performance of the organization		
Keeps updated knowledge of his/her area of expertise		
Communicates in open and constructive manner.		
Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented.		
Helps create positive image of the company and helps the company wherever possible.		
Actively contributes toward positive growth of the organization		
Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.		

Overall Feedback to improve effectiveness further:-

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