

## SNL BEARINGS LIMITED

### “PERFORMANCE EVALUATION POLICY”

*The following “Performance Evaluation Policy” is for the use to the Board of Directors of SNL BEARINGS LIMITED (“Company”) and is drafted for approval and adoption by the Board*

#### **INTRODUCTION**

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, listing agreement with stock exchanges, internal code of conduct and policies formulated by the Company for its internal execution.

The Company’s Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis and follow ‘best practices’ in the best interest of the company and its stakeholders.

Section 178 of the Companies Act, 2013 provides that a policy 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..

One of the most important functions of the Board of Directors is to oversee the functioning of Company’s top management and this Evaluation process aims to ensure that individual directors (“Directors”) and the Board of Directors of the Company (“Board”) as a whole work efficiently and effectively in achieving Company’s objectives. This policy aims at establishing a procedure for the Board to conduct periodic evaluation of its own performance and of its committees and individual directors, with candour and from multiple perspectives. It is believed that it will lead to a closer working relationship among Board members, greater efficiency in the use of the Board’s time and increased effectiveness of the Board as a governing body.

#### **Process**

The process will be initiated once every year or at the discretion of the Board Chairman and will normally be scheduled to take place during the meeting for the adoption of annual audited financial results. At the Board’s discretion, a person designated by the Board, may coordinate the Board self-evaluation or a consultant may be retained to assist with this process. Copies of the evaluation form will be distributed to each Board Member approximately two weeks before the scheduled self-evaluation. Board members shall complete the forms and return them to the Board Chair or person designated or the governance consultant within one week of receipt of the forms.

Results will be tabulated and analyzed prior to the meeting and presented in a summary report to include composite scoring. The individually completed surveys will also be preserved and presented to the Board. The Board will discuss areas that are working well,

and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward. The meeting will be held in accordance with open meetings requirements and in a manner that is most constructive and useful to the Board.

In the Overall Board Evaluation, each Board member is asked to provide written input on the evaluation form.

### **Evaluation of Performance**

Evaluation of the Executive Directors and the Independent Directors shall be carried out by the entire Board, except the Director being evaluated. Based on the rating of the 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 so as to create and maintain an effective top level management of the Company for its future growth, expansion and also to maximize the return on investments to the stakeholders of the Company.