



# GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

Fertilizernagar – 391 750, Vadodara, Gujarat, India, CIN – L99999GJ1962PLC001121

## **POLICY FOR EVALUATION OF BOARD PERFORMANCE**

### **1. INTRODUCTION:**

Gujarat State Fertilizers & Chemicals 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 behavior, in consonance with the Company’s Code of Conduct policy for its employees and also for the Board of Directors. Honesty, integrity and sound judgment and performance of the Directors and the Senior Management are key criteria for the success and for building a good reputation of the Company. Each Director and executive in the Senior Management is expected to comply with the same in letter and spirit. Apart from this Code, The Code of Conduct for Directors/Employees shall also be applicable, additionally and specifically to the Senior Management of the Company Mutatis Mutandis. Any actual or potential violation of these Codes by the Board Directors would be a matter of serious concern for the Company.

Therefore, the Company has made this policy to comply with various provisions under the clause 49 of the Listing Agreement entered into by the Company with Stock Exchanges in India as per the SEBI Regulations published vide its Circular No. CIR/ CFD/ POLICY CELL/ 2/ 2014 dated April 17, 2014 as amended and published vide its Circular No.CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 and also the 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 are the text of relevant section/s of the Companies Act, 2013 and the Rules made there under.

### **2. DEFINITIONS:**

“The Act” shall mean the Companies Act, 2013;

“The Company” shall mean Gujarat State Fertilizers and Chemicals Limited.

“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.

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

“The Policy” or “this Policy” shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

“The Committee” or “this Committee” 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.



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### **3. 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.

### **4. PERFORMANCE EVALUATION:**

Appraisal of each Director of the Company shall be based on the broad criteria mentioned below shall be done as required under the provisions of the clause (p) of subsection (3) of Section 134 of the Companies Act, 2013.

1. Knowledge of the Job Profile;
2. Various Directions provided in the best interest of the Company on key issues; review of compliance management;
3. Achievement of Targets budget v/s actual and reasons for deviations; contribution towards new projects;
4. Detailed analysis of internal control function;
5. Thorough compliance with the Code of conduct;

The Committee shall evaluate the performance of each member of the Board 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 the evaluation criteria shall be as hereinbefore mentioned.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for other Directors of the Company. The interested Director shall not participate in the evaluation/s.

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 criterion.

### **5. SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS:**

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

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