



# **USG Tech Solutions Limited**

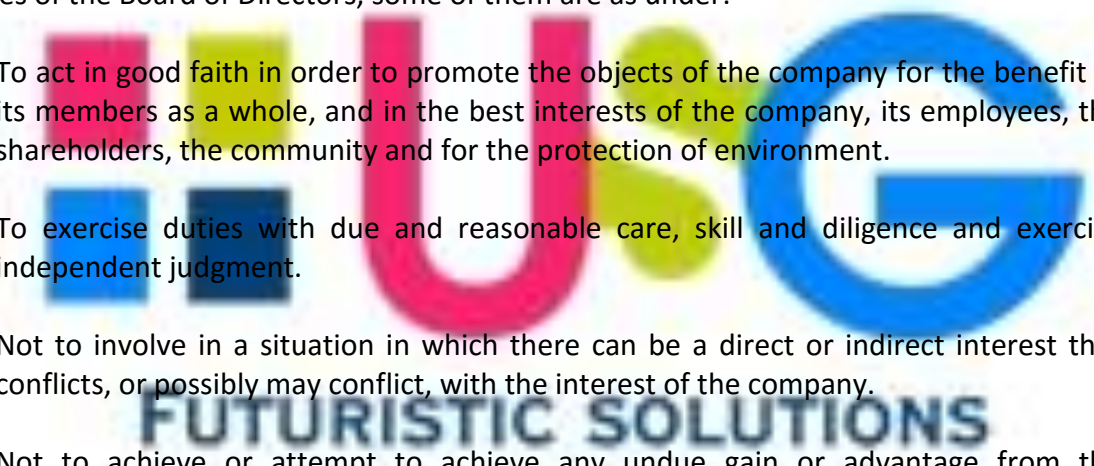
## **ANNUAL PERFORMANCE EVALUATION POLICY**

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**Introduction:**

The role of the Board of Directors has undergone rapid transformation over the past decade. There has been mounting expectations from the Investors, Regulators, Stakeholders and the Society at large. The Company has recognized that it would be important for them to continually assess how effectively the Board is performing its roles against the objectives and the goals set for them.

Further, the provisions of Section 166 of the Companies Act, 2013 emphasizes on the duties of the Board of Directors, some of them are as under:

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- The logo for USG Futuristic Solutions is centered in the background. It features the letters 'USG' in large, bold, multi-colored characters (pink, yellow, blue, and green). Below 'USG', the words 'FUTURISTIC SOLUTIONS' are written in a smaller, blue, sans-serif font.
- To act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
  - To exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
  - Not to involve in a situation in which there can be a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
  - Not to achieve or attempt to achieve any undue gain or advantage from the unpublished/undisclosed Price sensitive information.

In order to meet up to the expectations of all the stakeholders at large, a mechanism for evaluation of the performance of the members of the Company's Board as well as the Committees of the Board, are required to be devised which can contribute significantly in performance improvements at three levels: the organizational, board and individual director level. And in turn help in increased accountability, better decision making, enhanced communication and more efficient board operations to implement aforesaid performance evaluation policy is also mandated on company pursuant to Section 134(3)(p) of Companies Act, 2013.

**1. Purpose of the Policy:**

The purpose of the Board self-evaluation is to give all Board members an opportunity to evaluate and discuss the Board's performance with candor and from multiple perspectives. The evaluation is particularly helpful when the Board is not functioning at an optimal level. However, it is also helpful when the Board is functioning well to ensure their continuous improvement in the way the Board conducts its business. The Board believes that the evaluation 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.

**2. Scope:**

This policy covers the annual evaluation of the Board's performance and that of its committees and members. It also has overall responsibility for the performance of management.

**3. Policy:**

1. There will be an annual evaluation of the performance of the Board and Committees and individual directors, conducted in each year.
2. The annual review will commence each year in the month of March, with the Chairman requesting feedback at a meeting of the Board from the members of the senior management team whose views should be included in the Board/Committee evaluation process. An appropriate format will be devised for the purpose.
3. An evaluation process shall be devised by the Board taking into account the following:
  - a. The evaluation of Chairperson shall be done at a separate meeting of Independent Directors taking into account the view of Executive and Non-executive Directors through their Evaluation/Feedback Forms.
  - b. The evaluation of performance of Independent Directors and Non-Executive Directors shall be done by the entire Board excluding the Director being evaluated. On the basis of performance evaluation, it shall be determined whether to extend or continue to term of appointment of the Independent Director.
  - c. The evaluation of performance of other Directors viz. Managing Director, Executive Director, Whole time Directors and Senior Management Personnel(s) (SMPs) /Key Managerial Personnel(s) (KMPs) shall be made by the Nomination

and Remuneration Committee in order to enable it to recommend the remuneration payable to such Directors, SMPs and KMPs etc and the Board will forward the feedback, if any, to Nomination and Remuneration Committee for their due consideration in this regard.

**4. Outcomes of reviews:**

1. All reviews are to include open discussion by the Board of the results of the evaluations and to decide any changes which are required to be made by the Board to address any lack of performance and to arrive at the goals for the Board and separately, for its Committees for the ensuing year.
2. If particular concerns arise from the evaluation in relation to any individual Director, or Committee, the Chairperson will meet with that Director, or Chairperson of that Committee, to discuss the concerns and any actions to be taken as a result. If the concerns relate to the Chairperson, then the Chairperson will discuss the matter as appropriate with the Board.

**5. Regular feedback:**

Directors will also be encouraged to provide feedback on the conduct of Board meetings and other business, whenever they feel required, and the preparation for them, in order to assist in the continual improvement of the way the Board carries out its role at a 'micro' level or any other issues of concern to Directors with respect to the conduct of Board business.

**FUTURISTIC SOLUTIONS**