

“PERFORMANCE EVALUATION POLICY”

[PTC India Limited (PTC)]

The following “Performance Evaluation Policy” is for the use to the Board of Directors of PTC (“Company”) and is drafted for approval and adoption by the Board as per statutory requirements.

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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 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.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company’s top management, this Board Performance 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. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

EFFECTIVENESS OF THE BOARD

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company. The Company aspires to pay performance linked remuneration to its WTDs/CMD. It will be ensured that the remuneration is determined in such a way there exists a fine balance between fixed and incentive pay.

RESPONSIBILITY OF BOARD/ INDEPENDENT DIRECTOR

It shall be the duty of the Company to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors’ and committees’ effectiveness, to maximize their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis:

- I. Review the various strategies of the Company and accordingly set the performance objectives for directors, consistent with the varying nature and requirements of Company's business.
- II. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.
- III. In conformity with the requirement of the Act, the performance evaluation of all the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

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Independent Directors are required to evaluate the performance of non - independent directors and Board as a whole. The independent directors of the Company shall hold at least one meeting in a year to review the performance of the non- independent directors, performance of chairperson of the Company and board as a whole, taking into account the views of executive directors and non-executive directors.

EVALUATION FACTORS

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation parameters, various descriptors have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors, as such evaluation factors may vary in accordance with their respective functions and duties. The evaluation scale is a simple three point scale i.e. Below Expectations (1), Meets Expectations (2) and Surpasses Expectations (3).

Evaluation of Independent Director shall 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.

Appraisal of each Director of the Company by the other Directors shall be based on the criteria as mentioned herein below.

Rating Scale

Scale	Performance
3	Surpasses Expectations
2	Meets Expectations
1	Below Expectations

The Company has chosen to adopt the following Board Performance Evaluation Process:

INDEPENDENT DIRECTORS

Some of the specific issues and questions that should be considered in the performance

evaluation of an Independent Director, (the exercise in which the concerned director being evaluated shall not be included) are set out below:

S. No.	Assessment Criteria
1.	Attendance in Board meetings
2.	Preparation, attention and deliberations on the items under consideration
3.	Timely input on minutes of Board meetings
4.	Expression of opinion during deliberations at meetings.
5.	Approach to resolution of issues at meetings
6.	Familiarity with the business of the Company, awareness of general business scenario and new developments.
7.	Helpful/useful contribution at meetings with regard to governance standards, business strategy, budgets, financial reporting, whistle blower protection, risk management and compliances.
10.	Accessibility to management and providing feedback / guidance/ direction on issues raised by them
11.	Exercise objective judgment independently in the best interest of the Corporation
12.	Perform their role effectively as a member of the Board of Directors and also a member of a committee of Board of Directors and any criticism by such directors is taken constructively.
13.	Exercises his/ her own judgement and voices opinion freely

Based on the above criteria each of the Independent Directors has to be assessed by the other directors (including other Independent Directors) by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total of the ratings so awarded will be averaged over the number of persons who have awarded the rating.

Assistance in conducting the process of evaluation shall be provided by a person as authorized by the Board and for this purpose, such person shall report to Board.

NON – INDEPENDENT DIRECTORS / CMD / WTD

Some of the specific issues and questions that should be considered in a performance evaluation of Non-Independent Director /WTD/ CMD are set out below:

Non- Independent Directors:

S. No.	Assessment Criteria
1.	Attendance in Board meetings
2.	Preparation, attention and deliberations on the items under consideration
3.	Timely input on minutes of Board meetings
4.	Expression of opinion during deliberations at meetings.
5.	Approach to resolution of issues at meetings
6.	Familiarity with the business of the Company, awareness of general business scenario and new developments.
7.	Helpful/useful contribution at meetings with regard to governance standards, business strategy, budgets, financial reporting, whistle
8.	Accessibility to management and providing feedback / guidance/ direction on issues raised by them
9.	Disclose personal interests annually and whenever they are interested in a transaction

CMD/WTD:

S. No.	Assessment Criteria
1.	Company performance compared to budgets / targets.
2.	Effort made to achieve targets.
3.	Innovation in business practices.
4.	Development of team and succession plan.
5.	Understanding of evolving external factors.
6.	Focus on the right issues for his role.
7.	Adhering high Governance and compliance standards.
8.	Ensures that the significant risks facing the Company & its subsidiaries have been identified and appropriate and adequate
9.	Goals, expectations and concerns are openly communicated with the Board.
10.	Overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance
11.	Disclose personal interests annually and whenever they are interested in a transaction.
12.	Ensures the integrity of the entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems
13.	Reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved.

Based on the above criteria each of the Non – Independent Directors / CMD / WTD has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of ratings awarded will be averaged over the number of persons who have awarded the rating.

This process of evaluation shall be done by Independent Directors only. Assistance in handling the process will be provided by a person so authorized by the Board, and for this purpose, the person will report to the Board.

BOARD OF DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by the Independent Directors are set out below :

S. No.	Assessment Criteria
1.	Is an appropriate composition with correct mix of knowledge and skills sufficient for company size and business.
2.	Is effective in decision making.

3.	Appropriately reviews and monitors issues of Corporate Governance and compliances.
4.	Ensures that controls, checks and balances are effective in identifying material risks.
5.	Focuses on organization's vision and mission.
6.	Provides sound advice to Company Management.
7.	Is up to date with latest developments and best practices in general and/or in the building products industry.
8.	Is satisfied with the length and depth of information provided at Board meetings for effective decision making.
9.	Is satisfied with the manner in which Board Meetings are conducted to encourage open communication, meaningful participation and timely resolution of issues.
10.	Disclosed and correctly dealt with conflict of interest situations (if any).
11.	Keeps interest of all stakeholders in mind while taking decision

Based on the above criteria Board has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done by Independent Directors only. Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

The performance of Committees of Board shall also be reviewed from time to time in line with prescribed criterias.

REVIEW

The performance evaluation process and related tools will be reviewed by the “Nomination and Remuneration Committee” on need basis, and the Committee may periodically seek independent external advice in relation to the process.

The, committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

DISCLOSURE

PTC will disclose details of its Board Performance Evaluation processes in its Board’s Report and the key features of this Policy would also be included in the corporate governance statement 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.