

PERFORMANCE EVALUATION POLICY

Date of approval Board of Directors : September 03, 2024

INTRODUCTION

Sical Logistics Limited (the “**Company**”) has constituted the Nomination and Remuneration Committee (“**NRC**”) of the board of directors of the Company (“**Board**”) under Section 178 of the Companies Act, 2013 (“**Act**”) and Regulation 19 read with Part D of Schedule II, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Listing Regulations**”).

In compliance with the Act and the Listing Regulations, the Committee has formulated a policy setting out the criteria based on which the performance of each and every director, the Board and its committees, and the key managerial personnel and other senior employees of the Company shall be evaluated.

Based on such performance evaluation, remuneration of directors, key managerial personnel and other senior employees of the Company shall be determined and the term of appointment of an independent director may be continued or extended.

This policy aims at establishing a procedure for conducting periodical evaluation of directors’ performance and formulating the criteria for determining qualification, positive attribute and independence of each and every director of the Company in order to effectively determine issues relating to remuneration of director, key managerial personnel and other employees of the Company (this “**Policy**”).

This Policy further aims at ensuring that the committees to which the Board of the Company has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties.

For these purposes, the NRC shall be responsible to identify the persons who are qualified to become directors and who may be appointed in the senior management of the Company and recommend to the Board their appointment and removal.

Accordingly, the NRC of the Company shall carry out the evaluation of performance of every director, the Board as a whole, key managerial personnel and other employees in accordance with the criteria contained herein below.

EVALUATION FACTORS

The 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 excluding the director being evaluated in the same way as it is for the executive directors of the Company except the director getting evaluated. Evaluation performance should be carried out at least once in a year.

Rating Scale

Scale	Performance
5	Exceptionally good
4	Good
3	Satisfactory
2	Needs Improvement
1	Unacceptable

INDEPENDENT DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of independent director, in which the concerned director being evaluated shall not be included, are set out below:

Name of director being assessed: _____

S. No.	Rating Criteria	Rating
1.	Attendance and participations in the meetings	
2.	Raising of concerns to the Board	
3.	Safeguard of confidential information	
4.	Rendering independent, unbiased opinion and resolution of issues at meetings	
5.	Initiative in terms of new ideas and planning for the Company	
6.	Safeguarding interest of whistle-blowers under vigil mechanism	
7.	Timely inputs on the minutes of the meetings of the Board and committee's, if any	
8.	Commitment to the Board and the Company	
	Overall Performance	

Additional issues and questions that should be considered in a performance evaluation of chairperson, are set out below:

S. No.	Rating Criteria	Rating
1	Leadership skills	
2	Open-minded, decisive, courteous, professionalism	
3	Impartial in conducting discussions, seeking views and dealing with dissent	
4	Ability to keep shareholders' interest in mind during discussions and decisions	

NON – INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of the managing director/non-independent director/executive director by independent directors, in which the concerned director being evaluated shall not be included, are set out below:

Name of director being assessed: _____

S. No.	Rating Criteria	Rating
1.	Compliance with articles of association, Companies Act, 2013 & other laws	

2.	Participation and attendance in meetings of Board and committees, if any	
3.	Punctuality	
4.	Attendance and presence in general meetings	
5.	Strategic Planning-financial & business	
6.	Operational Performance of the Company	
7.	Monitoring performance against plans	
8.	Steps initiated towards branding of the Company	
9.	Exercising duties diligently	
11.	Updation of skills and knowledge	
12.	Motivating employees, providing assistance & directions	
13.	Seeking expert opinion, when required	
14.	Establishment of internal control processes	
15.	Supervising & training the staff members	
16.	Team work attributes	
17.	Safeguard of confidential information	
18.	Professional conduct	
19.	Role & functions	
20.	Initiative in terms of new ideas and planning for the Company	
	Overall performance	

BOARD OF DIRECTORS

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

S. No.	Rating Criteria	Rating
I. Structure of Board		
1.	Competencies of directors to conduct the affairs of the Company effectively	
2.	Experience of directors to conduct the affairs effectively	
3.	Diversity in board based on gender, background, competence, experience, or perspective	
4.	Transparency in the process of appointment to the board of directors	
II. Meetings of the Board:		
1.	Frequency or regularity of meetings of the board of directors	
2.	Sufficiency of board meetings frequency to undertake duties effectively	
3.	Timely circulation of agenda and other relevant information to take effective decision on the matters to be discussed in the meeting	
4.	Quality of the agenda and board papers	
5.	Actions taken on outstanding items of previous meetings	

6.	Adequacy of time allotted for discussions on each item (especially substantive items) of the agenda of the meeting	
7.	Participation and contribution of board members in the matters discussed	
8.	Manner of recording, circulation and approval of minutes	
III. Functions of the Board:		
1.	Time devotion towards analyzing and examining current and potential strategic issues, governance and compliance issues	
2.	Effectiveness of the board in developing a corporate governance structure that allows and encourages them to fulfill their responsibilities.	
3.	Board's contribution for ensuring robust and effective risk management in the Company.	
4.	Effectiveness of the overall process of disclosure and communication.	
5.	Review of effectiveness of grievance redressal mechanism for investors	
6.	Transparency in disclosure requirements	
7.	Management of potential conflict of interest	
8.	Effectiveness and adequateness of the decision-making process of the board	
9.	Facilitation of independent directors to perform their role effectively as a member of the board	
IV. Board and Management:		
1.	Board feedback to management on its requirements	
2.	Capability of board on monitoring and managing potential conflict of interests (if any) among the management, members of the board and shareholders	
3.	Board guidance for implementation of business strategy and its periodic review	
4.	Inter-se accessibility of board and the management and effectiveness of process to exchange information easily	
5.	Consideration of internal audit reports, management's responses, and steps taken towards improvement	
6.	Adequateness of standards and policies framed for business conduct and ethical behavior of directors and senior management	
7.	Adequateness of secretarial and logistics support available for effective conduct of the board meetings	
Additional comments if any		
	Overall performance	

COMPANY SECRETARY

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

S. No.	Rating Criteria	Rating
1.	Compliance with articles of association, Companies Act, 2013 & other laws	
2.	Compliance with ethical standards & code of conduct of Company	
3.	Reporting to the Board about compliance with applicable laws	
4.	Ensuring compliance with secretarial standards	
5.	Assistance to the Board	
6.	Discharge of duties assigned by Board	
7.	Success of meetings convened	
8.	Preparation of minutes	
9.	Attendance & presence in meeting of Board, committees of Board and general meeting	
10.	Assistance in obtaining required approvals from Board, shareholders, Government and other authorities	
11.	Representation before various regulators on behalf of the Company	
12.	Advising Board on corporate governance and compliance thereunder	
13.	Safeguard of confidential information	
	Overall performance	

OTHER KEY MANAGERIAL PERSONNEL AND SENIOR EMPLOYEES

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

Name of other key managerial personnel/senior employee being assessed: _____

S. No.	Rating Criteria	Rating
1.	Compliance with laws	
2.	Compliance with ethical standards & code of conduct of Company	
3.	Fulfilment of roles and responsibilities granted to them	
4.	Achievement of target fixed	
5.	Punctuality and other personality related aspects	
6.	Preparation of annual accounts	
7.	Preparation of financial information & risk management	
8.	Follow up action based on reports of internal and statutory audit	
9.	Reporting on frauds, violations of laws	
10.	Safeguard of confidential information	
	Overall performance	

COMMITTEES OF BOARD

The Board of the Company has constituted certain committees of the Board including the following:

1. Audit Committee;
2. Stakeholders' Relationship Committee;
3. Nomination and Remuneration Committee; and
4. Corporate Social Responsibility Committee

For evaluating the performance of each committee, the Board shall consider the following aspects:

S. No.	Rating Criteria	Rating
1	Mandate, composition and working procedures of committees is clearly defined and disclosed	
2	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues	
3	Attendance and presence in meetings of committees	
4	Punctuality	
5	Fulfillment of roles & responsibilities	
6	Independence of the committee	
7	Committee's recommendations contribute effectively to decisions of the Board	
8	Compliance with articles of association, Companies Act, 2013 & other laws	
9	Redressal of complaints & grievances	
10	Coordination with other committees and Board	
11.	Seeking expert opinion, when required	
12.	Adherence to Company's policies and internal procedures	
	Overall Performance	

REMUNERATION

Based on the above stated criteria of evaluation of performance of directors, company secretary and other key managerial personnel and senior employees, their remuneration shall be determined and reviewed from time to time.

DISCLOSURE

This Policy and evaluation criteria shall be disclosed in the annual report of the Company and posted on the website of the Company, if required under the Act, Listing Regulations, and any other regulatory requirements.

AMENDMENTS

Subject to the approval of Board of the Company, the NRC reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company. This Policy may be amended by NRC followed by approval of the Board.