

Cupid Limited

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PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- The Companies Act, 2013 has enabled an evaluation mechanism to appraise the performance of the Independent Directors.
- Criteria for evaluation shall be laid by Nomination and Remuneration Committee.
- The evaluation of performance of Independent Directors shall be done by the entire Board of Directors (excluding the Director being evaluated).
- On the basis of evaluation, it shall be determined whether to extend or continue the term of appointment.

Points to Note:

- The Nomination and Remuneration Committee should lay down the evaluation criteria which will be adopted by the Board.

Suggestion:

- It is hereby suggested that the criteria for evaluation of the Independent Directors may be on the following parameters:

1. Personal Traits/ General Criteria:

- Highest personal and professional ethics, integrity and values;
- Inquisitive and objective perspective, practical wisdom and mature judgment;
- Demonstrated intelligence, maturity, wisdom and independent Judgment;
- Self-confidence to contribute to board deliberations, and stature such that other board members will respect his or her view;
- The willingness and commitment to devote the extensive time necessary to fulfil his/her duties;
- The ability to communicate effectively and collaborate with other board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others; and
- The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.

2. Specific Criteria:

- Participation and contribution by a Director;
 - Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings;
 - Effective deployment of knowledge and expertise;
 - Effective management of relationship with various stakeholders;
 - Independence of behaviour and judgment.
 - Maintenance of confidentiality of critical issues.
- Further the Committee/Board shall be authorised to modify the criteria as it may deem fit and necessary.

Conclusion:

The Committee may devise a criteria based on the above mentioned parameters and the same will be approved/adopted by the Board. Performance Evaluation Format is attached.

PERFORMANCE MEASUREMENT OF INDEPENDENT DIRECTORS

- The Nomination and Remuneration Committee of the Board shall authorize the evaluation criteria.
- The evaluation shall be undertaken by the Board facilitated by an independent external agency to ensure objectivity and equity.
- Evaluation criteria

Factor	Attributes
Role & Accountability	➤ Understanding of nature and role of independent directors' position
	➤ Understanding of risks associated with the business
	➤ Application of knowledge for rendering advice to Management for resolution of business issues
	➤ Offer constructive challenge to Management strategies and proposals
	➤ Active engagement with the Management and attentiveness to progress of decisions taken
Objectivity	➤ Non-partial appraisal of issues
	➤ Own recommendations given professionally without tending to majority or popular views
Leadership & Initiative	➤ Heading Board Sub Committees
	➤ Driving any function or identified initiative based on domain knowledge and experience
Personal attributes	➤ Commitment to role & fiduciary responsibilities as a board member
	➤ Attendance and active participation
	➤ Proactive, strategic and lateral thinking