

# **GUJARAT POLYSOL CHEMICALS LIMITED**

**CIN No.** U24231GJ1989PLC012892

**Regi Office Address:** Plot No. 1734, Third Phase, GIDC, Vapi,  
Dist. Valsad, Vapi, GJ 396195 IN

**Email Id:** [gujaratpolysol@gmail.com](mailto:gujaratpolysol@gmail.com), **Contact No.** +91 99251 00331

---

## **CRITERIA FOR PERFORMANCE EVALUATION OF BOARD OF DIRECTORS INCLUDING INDEPENDENT DIRECTORS**

### **1. INTRODUCTION**

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated that the Nomination and Remuneration Committee shall formulate Criteria for evaluating the performance of Independent Directors and the board of directors.

The Criteria for evaluation of Board of Directors including Independent Directors (**Criteria**) shall be laid down by the Nomination and Remuneration Committee, which shall be approved by the Board.

- The Criteria shall be disclosed in the Annual Report of the Company.
- The performance of Independent Directors shall be evaluated 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.

### **2. DEFINITIONS**

- a) **"Board of Directors"** or **"Board"** means the Board of Directors of the Company, as constituted from time to time.
- b) **"Director"** means a person appointed as a director to the Board of Directors of the Company.
- c) **"Independent Director"** or **"ID"** means a director of the Company, not being a whole-time director and who satisfies other criteria for independence under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

### **3. CRITERIA FOR INDIVIDUAL DIRECTOR EVALUATION & OVERALL BOARD EVALUATION PROCESS**

The Criteria are based for assessment of peer directors and assessment of the overall performance of the Board.

- Each Director has to complete an evaluation sheet by giving the appropriate rating number related to each of the Criteria mentioned below that most closely reflects: -
  - performance of individual peer directors, and
  - overall performance of the Board.

# GUJARAT POLYSOL CHEMICALS LIMITED

CIN No. U24231GJ1989PLC012892

Regi Office Address: Plot No. 1734, Third Phase, GIDC, Vapi,  
Dist. Valsad, Vapi, GJ 396195 IN

Email Id: [gujaratpolysol@gmail.com](mailto:gujaratpolysol@gmail.com), Contact No. +91 99251 00331

---

- For each of the Criteria, rating number ranges between 01 and 05 as follows:
  - 01- indicating minimum positive.
  - 05- indicating maximum positive.
  - 00- indicating where the particular criterion is not applicable or Director does not have enough knowledge or information.
- Separate sheet would be provided to each director for evaluation.
- The ratings will be compiled and placed before the Board for discussions and evaluation.
- The evaluation exercise is to be completed within a time frame.

## **4. RATING CRITERIA {RATINGS FROM 1-5}**

### **A. INDIVIDUAL PEER REVIEW {By all directors}-Indicative List**

- a) Whether the Directors uphold ethical standards of honesty and virtue?
- b) Whether the Directors have appropriate qualifications to meet the objectives of the Company?
- c) Whether they have financial/accounting or business literacy/skills?
- d) Whether they have Chemical industry knowledge?
- e) How well prepared and well informed are they for Board/Committee meetings?
- f) Do they show willingness to spend time and effort learning about the Company and its business?
- g) Do they actively participate in the Board /Committee meetings?
- h) How cordial are their relationships with other Board/Committee members and Senior Management?
- i) What has been their contribution to the development of strategy and risk management and how successfully they have brought their knowledge and experience to bear in the consideration of these areas?
- j) Where necessary, how resolute are they in holding to their views and resisting pressure from others?
- k) How effectively have they followed up matters about which they have expressed concern?
- l) How well do they communicate with other Board/Committee members, senior management and others?  
Etc.

### **B. BOARD/COMMITTEE EVALUATION {By all directors}: - Indicative List**

- a) Whether Board / Committee have diversity of experiences, backgrounds & appropriate composition?

# GUJARAT POLYSOL CHEMICALS LIMITED

CIN No. U24231GJ1989PLC012892

Regi Office Address: Plot No. 1734, Third Phase, GIDC, Vapi,  
Dist. Valsad, Vapi, GJ 396195 IN

Email Id: [gujaratpolysol@gmail.com](mailto:gujaratpolysol@gmail.com), Contact No. +91 99251 00331

---

- b) Whether Board / Committee monitor compliance with corporate governance, laws, regulations and guidelines?
  - c) Whether Board / Committee demonstrate integrity, credibility, trustworthiness, an ability to handle conflict constructively, and the willingness to address issues proactively?
  - d) Whether Board / Committee dedicate appropriate time and resources needed to execute their responsibilities?
  - e) Whether the Chairman encourages inputs on agenda of Board / Committee meetings from their members, management, the internal auditors, and the independent auditor?
  - f) Whether meetings of Board / Committee are conducted effectively, with sufficient time spent on significant matters?
  - g) How well does management respond to request from the Board/ Committee for clarification or additional information?
  - h) Whether proper minutes are maintained of each meeting of Board / Committee?
  - i) Whether Board / Committee meetings are held with enough frequency to fulfil the Board's /Committee's duties?
  - j) Whether Board / Committee {as required} consider the quality and appropriateness of financial/ accounting and reporting, including the transparency of disclosures?
  - k) Whether Board / Committee ensure that management takes action to achieve resolution when there are repeat comments from statutory auditors?
  - l) Whether adjustments to the financial statements that resulted from the statutory audit are reviewed by the Audit Committee, regardless of whether they were recorded by management?
  - m) Whether Board / Committee oversee the role of the statutory auditors and have an effective process to evaluate the auditor's qualifications and performance?
  - n) Whether Board / Committee review the audit fees paid to the statutory auditors?
  - o) Whether Board / Committee consider internal audit reports, management's responses, and steps toward improvement?
  - p) Whether Board / Committee oversee the process and are notified of communications received from governmental or regulatory agencies related to alleged violations or areas of non-compliance?
  - q) Whether the contributions of the Board / Committee to ensuring robust and effective risk management are adequate?
- Etc.

## **C. CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTORS**

**Each Independent Director shall be evaluated by all other directors of the Board BUT not by HIM/HER.**

Rating Criteria for Peer Review {By all Directors} as stated hereinabove shall also apply to Independent Directors to the extent there is no overlapping with the Rating Criteria of Independent Directors as stated hereinafter.

# **GUJARAT POLYSOL CHEMICALS LIMITED**

**CIN No.** U24231GJ1989PLC012892

**Regi Office Address:** Plot No. 1734, Third Phase, GIDC, Vapi,  
Dist. Valsad, Vapi, GJ 396195 IN

**Email Id:** [gujaratpolysol@gmail.com](mailto:gujaratpolysol@gmail.com), **Contact No.** +91 99251 00331

---

Whether Independent Director/s {in short ID} follow/s Professional Conduct, carry out their Roles and Functions and Duties as required in section 149 and Schedule IV of the Companies Act 2013 & Indicative list are given below: -

## **Evaluation based on professional conduct**

1. Whether ID upholds ethical standards of integrity and probity?
2. Whether ID exercises his/her responsibilities in a bona fide manner in the interest of the Company?
3. Whether ID devotes sufficient time and attention to his/her professional obligations for informed and balanced decision making?
4. Whether ID does not abuse his/her positions to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person?
5. Whether ID refrains from any action that would lead to loss of his/her independence?
6. Where circumstances arise which make an Independent Director lose his/her independence, whether the Independent Director has immediately informed the Board accordingly?
7. Whether ID assists the Company in implementing the best corporate governance practices?

## **Evaluation based on Role and functions**

8. Whether ID helps in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct?
9. Whether ID brings an objective view in the evaluation of the performance of Board and management?
10. Whether ID satisfies himself/herself on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible?
11. Whether ID has taken actions to safeguard the interests of all stakeholders, particularly the minority shareholders?
12. Whether ID moderates and arbitrates in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest?

## **Evaluation based on Duties**

13. Whether ID undertakes appropriate induction and regularly update and refresh his/her skills, knowledge and familiarity with the Company?
14. Whether ID seeks appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts?
15. Whether IDs strive to attend all meetings of the Board of Directors and of the Committees of which he/she is a member?
16. Whether ID participates constructively and actively in the Committees of the Board in which he/she is chairperson or member?

# GUJARAT POLYSOL CHEMICALS LIMITED

CIN No. U24231GJ1989PLC012892

Regi Office Address: Plot No. 1734, Third Phase, GIDC, Vapi,  
Dist. Valsad, Vapi, GJ 396195 IN

Email Id: [gujaratpolysol@gmail.com](mailto:gujaratpolysol@gmail.com), Contact No. +91 99251 00331

---

17. Whether ID strives to attend the general meetings of the Company?
18. Whether ID does not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board?
19. Whether ID gives sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure himself/herself that the same are in the interest of the Company?
20. Whether ID ascertains and ensures that the Company has an adequate and functional vigil mechanism and also ensures that the interests of a person who uses such mechanism are not prejudicially affected on account of such use?
21. Whether ID acts within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees?

## **5. COMPLIANCES**

- The Nomination & Remuneration Committee of the Board shall lay down the evaluation Criteria of the Independent Director and evaluation shall be done by the entire Board (excluding the director being evaluated).
- All evaluation shall be done annually.
- Criteria and Evaluation shall be disclosed in the Annual Report of the Company.
- On the basis of the report of performance evaluation, it shall be determined by the Nomination & Remuneration Committee & Board whether to extend or continue the term of appointment of the Independent Director subject to all other applicable compliances.

## **6. DISCLOSURE ON PUBLIC DOMAIN**

These Criteria and every subsequent modification, alteration or amendment made thereto, shall also be published on the official website of the Company.

## **7. REVIEW AND CHANGES**

The Board of Directors is authorized to amend or modify these Criteria in whole or in part as and when deemed necessary, to stipulate further guidelines, procedures and rules, from time to time.

## **8. APPROVED AND ADOPTED**

This Policy has been adopted by the Board of Directors of the Company in its meeting held on February 14, 2022 and the Policy shall be effective from February 14, 2022.

=====