

POLICY FOR THE EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS

SILVER CONSUMER ELECTRICALS LIMITED
CIN: U46539GJ2021PLC122633

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Overview

The Board of Directors of Silver Consumer Electricals Limited (the “**Company**”) acknowledges its intention to establish and follow “best practices” in corporate governance in order to fulfil its fiduciary obligation to the membership and its responsibility to other stakeholders.

Fundamental to sound governance is the practise of undertaking a board self-evaluation and evaluation of every Director on an annual basis.

This Performance Evaluation Policy (“**Policy**”) has been recommended by the Nomination and Remuneration Committee (“**Committee**”) and approved by Board of Directors (“**Board**”) of the Company in view of the various provisions of the Companies Act, 2013 (“**Act**”) and rules notified thereunder and in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is effective from

the date of its adaptation by the Board and shall continue till altered or cancelled by resolution of the Board.

The Company has delegated a significant amount of responsibility to the Board of Directors. It is important that the Board, Board Committees and individual Directors are evaluated on the effectiveness of their performance in a rigorous and structured manner to ensure that their contribution is reflected in the growth of the Company whilst adhering to highest corporate governance standards. The Act requires disclosure in the Board's Report of the manner in which a formal annual evaluation has been made by the Board of its own performance and that of its Committee and Individual Directors. The Act has tasked the Nomination & Remuneration Committee of the Board with evaluation of each Director.

Definitions

- **"Act"** shall mean The Companies Act, 2013;
- **"Company"** shall mean "Silver Consumer Electricals Private Limited";
- **"Director"** or **"the Board"** in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairperson of the Company;
- **"Independent Director"** shall have the same meaning as defined in the Act, and;
- **"Committee"** shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

Purpose

Apart from the statutory requirements, the purpose of the Board and Committees' self-evaluation is to give all Board and respective committees' members an opportunity to evaluate and discuss the Board's and committees' performance with openness and from multiple perspectives. The evaluation is particularly helpful when the Board is functioning as per the expectations as a way forward to ensure continuous improvement

in the manner in which the Board conducts its business. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of their time, and increased effectiveness of the Board as a governing body.

Process

The process will be initiated each year by the Chairman and will normally be scheduled to take place during the last quarter of the year. At the Board's discretion, a board may designate any Director / Company Secretary to coordinate the Board / Committees' self-evaluation or a consultant may be appointed to assist with this process. Copies of the evaluation form will be distributed to each member before the scheduled self-evaluation meeting. The members shall complete the forms and return them to the Chairman.

Results will be tabulated and analyzed prior to the meeting and presented in a summary form to include composite scoring. The individually completed surveys will also be preserved and presented to the Board. Written comments will be attributed to individual members to facilitate discussion. Inputs will also be gathered from the executive staff, in case required, and shared in aggregated form during the evaluation. The Board will discuss areas that are working well and those that need attention. The Board will then decide, the changes if any, its governance practices and policies that need to be made going forward. Staff and/or the governance consultant will work with the Board or Board designee to implement necessary changes.

The evaluation form consists of two parts:

- A: Director Evaluation and
- B: Overall Board / Committee Evaluation.

In the Director Evaluation, each Director is encouraged to evaluate the performance of the fellow directors. This evaluation shall be done by the entire Board excluding the director being evaluated. In addition, the Independent Directors shall hold a meeting at least once in any given financial year, without the presence of the non-Independent Directors of the Company, to review the performance of such non-Independent Directors.

In the Overall Board / Committee Evaluation, each Board / Committee member is asked to provide his / her input; based on their inputs an overall evaluation of the Board / Committee shall be completed. In addition, the Independent Directors in its meeting, without the presence of the non-Independent Directors of the Company, shall review the performance of Board.

All the information gathered under this policy shall always be kept confidential and shall be circulated / disclosed only to the concerned Board members only, unless it is required to be disclosed in compliance with any statutory or contractual obligation.

Review and Monitoring:

The Committee shall review and monitor from time to time the implementation of this Policy to ensure its effectiveness and may also recommend changes, if any, to the Board for ensuring effective performance evaluation.

AMENDMENT:

The Board may amend this Policy from time to time, as may be deemed necessary in accordance with the applicable Laws.

DISCLOSURE:

In accordance with the requirement under the Act, rules framed thereunder and SEBI (LODR) Regulations, 2015, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and Individual Directors. The Company shall disclose the evaluation criteria in its Annual Report.

Annexure-A

PERFORMANCE EVALUATION OF INDIVIDUAL DIRECTORS

Appraisal of the Individual directors shall be based on the criteria and parameters as laid down hereunder:

Name of the Individual director being evaluated:

Sr. No	Criteria For Evaluation	Rating	Remark (if any)
I	PERSONAL TRAITS		
1	Provides Strategic Vision		
2	Performance, behavior, mutual trust and respect		
3	Displays utmost level of Professionalism and integrity		
4	Creates a brand image for the Company		
II	INVOLVEMENT		
1	Regularly attends the meetings of the Board or committees		
2	Adequate advance preparation for the meetings		
3	Participates in a constructive manner at the meetings		
4	Provides valuable inputs during discussions on critical matters		
5	Assertiveness and ability to pose tough questions and defend his/ her ideas with proper reasoning		
6	Guidance to the board on his/ her areas of expertise		
7	Actively discusses on ensuring compliance with applicable laws by the Company		
III	PROFESSIONAL INDEPENDENCE		
	Brings forth voluntarily, any matters requiring		

1	disclosure		
2	Intimates the board of any issues, which may affect independence or in case of independent director, fulfilment of the independence criteria as specified under Companies Act, 2013 and their independence from the management.		
3	Compliance with Code of Conduct		
4	Compliance with Insider Trading Regulations.		

TOTAL

Rating: On a scale of 1 to 5 with 1 being least effective and 5 being highly effective. The aggregate score so obtained would then be divided by the no. of questions (15) to arrive at the final rating.

Final Rating:

The final ratings of all the other directors (except himself) rating the director would then be aggregated and divided by the no. of directors providing feedback to arrive at the final rating at the Board level.

Annexure-B

PERFORMANCE EVALUATION OF THE BOARD

Appraisal of the Board shall be based on the criteria and parameters as laid down hereunder:

Sr. No	Criteria For Evaluation	Rating	Remark (If Any)
I	STRUCTURE		
1	Diversity of the Board (In terms of Experience, knowledge, expertise, gender etc.)		
2	Appropriate number of total directors and independent directors		
3	Adequate set of Committees		
4	Committees are appropriately constituted with the desired skill sets		
II	FUNCTIONAL DYNAMICS		
1	Annual Calendar is communicated in advance		
2	Agenda and Board papers are circulated well in advance and are informative		
3	Effectiveness of the Board -Is appropriate, timely and unbiased information of theright quality provided; -Are sufficient board and committee meetings being held to enable consideration of issues;		
4	Directors have access to any additional information		
5	Participation of directors is balanced		
6	Quality of interactions with the Managing Director and Executive Directors		
7	Meeting environment is conducive to discussions andexpression of opinions		

8	The long-term strategy set after discussions		
9	Response to any problems/ crisis management and guidance		
III	GOVERNANCE/ MONITORING		
1	Social/ environmental/ sustainability considerations in strategies of the Company		
2	Approach to Governance		
3	Review of various policies and terms of reference of committees		
4	Review of the functioning of various committees		
5	Information dissemination to the Board and outside		
6	Performance monitoring of the Company and suggestions vis- a- vis benchmarking against similar companies		
IV	BOARD RELATIONSHIPS		
1	Inter personal and with the Core Management team		

Rating: On a scale of 1 to 5 with 1 being least effective and 5 being highly effective. The aggregate score so obtained would then be divided by the no. of questions (20) to arrive at the final rating.

Final Rating:

The final ratings of all the directors rating would then be aggregated and divided by the no. of Directors providing feedback to arrive at the final rating of the Board.

Note: *The views and suggestions for improvement of the Board on any of the criteria/ parameters, would be taken up at the Board and sincere efforts to implement the same would be carried out.*

Annexure-C

PERFORMANCE EVALUATION FOR THE COMMITTEES OF THE BOARD

Appraisal of the Board Committees shall be based on the criteria and parameters as laid down hereunder:

Name of the committee:

Sr. No	CRITERIA FOR EVALUATION	RATING	REMARK (IF ANY)
I	STRUCTURE		
1	Mandate and Composition (In terms of mandate, composition, and working procedures of the committees of the Board are clearly defined and discussed etc.)		
2	Appropriate number of total directors and independent directors		
3	The frequency of such meetings is enough for the committee to undertake its duties properly		
4	Appropriately constituted with the desired skill sets		
II	FUNCTIONAL DYNAMICS		
1	The committee has fulfilled its functions as assigned by the Board and laws as may be applicable.		
2	Agenda and discussion papers are circulated well in advance and are informative		
3	The committee is able to finish discussion and decision on all agenda items in the meetings		
5	The committee discusses every issue comprehensively and depending on the importance of the subject		
6	All members actively participate in the discussions		
7	Meeting environment is conducive to discussions and expression of opinions		

III	GOVERNANCE		
1	The minutes of the committee are circulated to all the committee members		
2	The independence of the committee is ensured from the Board.		
3	The committee's recommendations and contributions towards the Company		
4	Overall, the committee functions constructively as team		

TOTAL

Rating: On a scale of 1 to 5 with 1 being least effective and 5 being highly effective. The aggregate score obtained would then be divided by the no. of questions (15) to arrive at the final rating.

Final Rating:

The final ratings of all the Directors rating would then be aggregated and divided by the no. of Directors providing feedback to arrive at the final rating of the Board.

Note: The views and suggestions for improvement of the Committees of the Board on any of the criteria/parameters, would be taken up at the Committee and sincere efforts to implement the same would be carried out.