

BOARD EVALUATION POLICY

ORIENTAL NAGPUR BETUL HIGHWAY LIMITED

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BOARD EVALUATION POLICY

A. INTRODUCTION

The Board of Directors (the “Board”) of Oriental Nagpur Betul Highway Limited (the “Company”), acknowledges its intention to establish and follow best practices in Board governance in order to fulfill its fiduciary obligation to all the stakeholders. It has adopted the following Policy and procedures with regard to evaluation of the Board, Committees and Individual Directors 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.

Therefore, the Company has formulated this Policy to comply with various provisions under the Companies Act, 2013 (“Act”) and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR**”), as amended from time to time.

B. OBJECTIVE

The object of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the entire Board. The Company aims to achieve a balance of merit, experience and skills on the Board. The policy is to assess and enhance the effectiveness of the Board as a whole. Individual Board members are assessed on their effective contribution and commitment to their role and responsibilities as Directors. The Board evaluation process shall be carried out by the Nomination and Remuneration Committee (“**NRC**”).

Accordingly, the Policy provides guidance on evaluation of the performance, on an annual basis, of:

- (i) individual Directors (including the Chairperson and independent directors of the Company (“**Independent Directors**”));
- (ii) the Board as a whole; and
- (iii) various committees of the Board (“**Board Committees**”)

C. SCOPE OF EVALUATION

The scope of the evaluation extends to Directors including Independent Directors, the Executive Chairman, the Managing Director / Whole Time Directors and to the Committees of the Board on the basis of the Criteria set forth by the NRC.

D. DEFINITIONS

- (i) “**Board**” means Board of Directors of the Company.
- (ii) “**Company**” means Oriental Nagpur Betul Highway Limited
- (iii) “**Companies Act, 2013**” or “**the Act**” means the Companies Act, 2013 read with the Rules framed thereunder (including any modification(s) / amendment(s) / re-enactment(s) thereof) (the “Act”).
- (iv) “**Directors**” mean Directors of the Company.

- (v) **“Independent Director”** means a Director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.
- (vi) **“Key Managerial Personnel”** means key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013.
- (vii) **“LODR”** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the circulars issued thereunder (including any modification(s) / amendment(s) / re-enactment(s) thereof).
- (viii) **“NRC”** means Nomination and Remuneration Committee of Board of Directors of the Company.
- (ix) **“Senior Management”** shall mean officers/personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.
- (x) **“Policy”** means Board Evaluation Policy.

Any other term not defined herein shall have the same meaning as defined in the Act, the LODR, Securities Contracts Regulation Act or any other applicable law or regulation.

E. PERFORMANCE EVALUATION FRAMEWORK FOR BOARD, COMMITTEE AND INDIVIDUAL DIRECTORS:

1. Evaluation of Board

The Board shall carry out the annual evaluation process of its own performance as envisaged in the Companies Act, 2013 and the individual Directors (excluding the Director being evaluated).

The Board performance evaluation shall:-

- Review the role of the Board and the individual Directors;
- Assess the Board effectiveness - both the Board as a whole and Individual Director's contribution to general discussions, business proposals and governance practices;
- Evaluate the quality of the discussions at Board meetings, the adequacy of the reports and information they receive, the level of interpersonal cohesion amongst the Board members;
- Evaluate its effectiveness in use of time, opportunity to adequately assess the management performance, keeping abreast of developments in the business and regulatory environment, frequency and duration of the meetings.
- Factor the suggestions received from Directors for change/improvisation.
- Assess the duties are discharged in accordance with provisions of the Act.

2. Chairman

The performance of the Chairman be evaluated, amongst other things, on the basis of leadership qualities, strategic thinking, decision making, business acumen, contribution to resolution of divergent views, time commitment, interaction with management, relationships and communications with the Stakeholders.

3. Committees of the Board

This Policy is to ensure that the Committees, to whom the Board has delegated responsibilities, are performing efficiently and effectively in accordance with the terms of reference set out in their charter. This encompasses the necessity of establishing any Committee and reviewing the Charter of the Committee from time to time.

4. Individual Directors

a. Managing Director and Executive Directors/ Whole Time Director

The performance of Managing Director/Executive Director/Whole Time Director shall be first reviewed by the Chairman and recommendation be made to the Nomination and Remuneration Committee. Some of the parameters for evaluation that can be considered are:

- To assess the overall contribution to the performance of the Company in terms of the tasks handled.
- Leadership qualities
- Conduct of Meetings, in the absence of the Chairman, if the need arises
- Contribution to strategic Plans
- Decision making abilities, relationship with stakeholders.

b. Non-Executive Directors

The performance of Non-Executive Director be evaluated, amongst other things, on the basis of strategic thinking, business acumen, teamwork, contribution to resolution of divergent views, proactive participation, and time commitment. The performance of the Individual Director's will also be assessed on handling the conflict of interest/situation, if any.

c. Independent Director

The performance evaluation of Non-Executive Independent Director's ("NEID") shall be done by the entire Board of Directors, excluding the director being evaluated. Independent directors have key roles to perform namely in the areas of governance, guiding in strategy formulation, ensuring statutory compliances and such other key matters which could be of importance to the Company. Some of the performance indicators on which the Independent Directors may be evaluated are:-

- Contributing and monitoring of Corporate Governance practices.
- Attendance at Board, Committee Meetings of the Company, etc.
- Making aware of international best practices for improvement.
- Active participation in strategic planning.

- Commitment to the fulfilment of duties and fiduciary responsibilities as enshrined in various statutes and charter of Committees.
- Not allowing any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
- Refraining from any action that would lead to loss of his independence.
- Maintain confidentiality of information provided, unless such disclosure is expressly required by law.

d. Meeting of the Independent Directors:

Atleast one meeting of the independent directors of the Company shall be held in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting.

The independent directors in the meeting shall, inter-alia:

- review the performance of non-independent directors (executive and whole-time directors) based on the recommendations of the Nomination and Remuneration committee.
- review the performance of the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

F. AMENDMENTS TO THE POLICY

The Board of Directors, on its own and / or as per the recommendations of NRC can amend this Policy as and when deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

G. CONFLICT IN THE POLICY

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down or mentioned under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

H. DISCLOSURE

In accordance with the requirements under the LODR and the Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of its own performance, performance of various Board Committees and individual Directors will be made by the Board in the Board's report. Further, the Board's report containing such statement will be made available for the review of shareholders at the general meeting of the Company. The key features of this Policy will be included in the corporate governance statement contained in the annual report of the Company.

The Policy shall also be available on the website of the Company at <http://www.nagpurbetulhighway.in/>.

I. EFFECTIVE DATE OF THE POLICY

This Policy will come into effect from the date of approval of the same by the Board of Directors of Company i.e. 03.02.2022.
