



CIN: U74101UP2011PLC047839

POLICY FOR EVALUATION OF THE BOARD AND THE INDEPENDENT DIRECTOR

PREAMBLE:

The Board of Directors ("Board") of Abacus Lifestyle Brands Limited ("Company") is committed to maintaining high standards of corporate governance through effective leadership, accountability and continuous improvement. A structured performance evaluation process enables the Board to assess its own effectiveness, the performance of its committees and the contribution of Individual Directors, thereby enhancing the overall governance framework of the Company.

This Policy has been framed by the Board of Directors ("Board") of Abacus Lifestyle Brands Limited ("Company") in an endeavour to safeguard the interests of the Company and as prescribed under section 178 of the Companies Act, 2013 ('Act'), the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to a company listed on the SME Platform and based on the recommendation of the Nomination and Remuneration Committee for the performance of directors including the performance of the Board as a whole. Based on the performance evaluation to be carried out by the Board, remuneration of directors, key managerial personnel and employees shall be determined. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors.

OBJECTIVE:

The Performance Evaluation Policy aims to:

1. Foster a closer and more effective working relationship among the members of the Board.
2. Evaluate the performance of the Board as a whole, its Committees and Individual Directors to identify strengths, encourage effective participation and address areas requiring improvement.
3. Facilitate continuous improvement in the Board's effectiveness, governance practices and decision-making processes.
4. Support the Nomination and Remuneration Committee/Board, as applicable, in reviewing the composition and remuneration of Directors to ensure it remains fair, reasonable and adequate to attract, retain and motivate competent individuals for the effective management of the Company.

DEFINITION:

- a. "the Act" means the Companies Act, 2013 and the rules made thereunder;
- b. "the Company" means Abacus Lifestyle Brands Limited.
- c. "the Director" or "the Board", in relation to the Company, means and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company;
- d. "the Independent Director" means an Independent Director as defined under section 2 (47) to be read with section 149 (5) of the Act.
- e. "the Policy" or "this Policy" means the Policy for evaluation of performance of the Directors, Chairperson, entire Board and Committees thereof and Key Managerial Personnel and Senior Executives of the Company as per the requirements of the Act and Listing Agreement of the Company with the Stock Exchanges.
- f. "the Committee" or "this Committee" means the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

RESPONSIBILITY OF THE BOARD:

It shall be the duty of the chairperson of the board, who shall be supported by a Company Secretary to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be

used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

The Committee shall evaluate the performance of each Directors of the Company with reference to the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code of Conduct of the Directors.

EVALUATION FACTORS:

In respect of the evaluation factors, various aspects have been provided to assist with the evaluation process of performance of the Directors, Chairperson, Board itself, and of its committees, Key Managerial Personnel and Senior Executives. Such evaluation factors may vary in accordance with their respective functions and duties. Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

Performance evaluation as above shall be based on the criteria as mentioned herein below:

(i) Individual Director Evaluation

- The Chairman of the Company shall hold one-on-one meetings with each Director individually to discuss their performance, contributions, engagement, preparedness, and understanding of the Company's strategy, governance, and operations.
- The discussion will also provide Directors an opportunity to share feedback, concerns, or suggestions in a confidential and constructive environment.

(ii) Board Evaluation

The Board as a whole shall evaluate its performance based on criteria such as:

- Effectiveness in decision-making
- Oversight of strategy and risk
- Compliance and governance practices
- Board structure and diversity
- Communication and culture

(iii) Committee Evaluation

Each Committee shall be evaluated with respect to:

- Fulfilment of its roles and responsibilities
- Effectiveness of meetings and decision-making processes
- Quality of discussions and inputs provided to the Board
- Coordination with the Board and other Committees

(iv) Evaluation of Chairman and Independent Directors

- The performance of the Chairman shall be evaluated by the Independent Directors, taking into account the views of Executive and Non-Executive Directors.
- The performance of Independent Directors shall be evaluated based on:
 - Their active participation in Board and Committee meetings
 - Their objectivity in judgment
 - Their contribution to Board discussions and governance

METHODOLOGY

Evaluation may be carried out using a structured questionnaire, interviews, or a combination of both. The process may be externally facilitated, if required, for objectivity and confidentiality. The results of the evaluations shall be compiled and presented to the Board, and action plans shall be drawn up where required.

REVIEW AND MODIFICATION OF EVALUATION:

The evaluation process, criteria and tools used shall be reviewed by the Nomination and Remuneration Committee on need basis.

The Committee may periodically seek independent external advice in relation to the process.

The Committee may amend the Policy, if required, by passing a resolution at a Nomination and Remuneration Committee meeting, after ascertaining its relevance on the basis of the Company's needs.

If and when changes are brought into, it is the Committee's responsibility to assure that this policy document is updated.

DISCLOSURE:

The Company shall disclose details of its Board Evaluation process in its Board's Report. The Policy shall also be available for public information on the website of the Company.

**On and behalf of the Board of Directors
For Abacus Lifestyle Brands Limited**



**Sunit Kumar Mishra
Managing Director
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