

WEBFIL LIMITED

POLICY FOR BOARD EVALUATION AND BOARD DIVERSITY

1. INTRODUCTION

The Company has made this policy to comply with various provisions under the Clause 49 of the Listing Agreement entered into by the Company and Stock Exchange(s) in India as per the SEBI Regulations. The Nomination and Remuneration Committee shall evaluate the performance of the each Board of Director as per sub-section (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made there under.

2. OBJECTIVE

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

3. SCOPE OF THE POLICY

- 3.1 Determination of evaluation criteria of the Board as a whole and diversity thereof;
- 3.2 Determination of evaluation of every individual director's performance;
- 3.3 Determination of evaluation criteria of the Independent Directors and determination of qualification, positive attributes and independence of a Director;
- 3.4 Determination of evaluation / review criteria of the performance of the Non-independent Directors;
- 3.5 Determination of evaluation / review criteria of the performance of the Chairperson,
- 3.6 Determination / review of remuneration of Directors, Key Managerial Personnel and other Employees.

4. EVALUATION OF THE BOARD AS A WHOLE

- 4.1 The evaluation shall be carried out by the Nomination and Remuneration Committee ("NR Committee") of the Board as constituted pursuant to Section 178 of the Companies Act, 2013.
- 4.2 Each Director to evaluate the performance of the Board, with regard to the following criteria and submit its observation to the NR Committee:
 - 4.2.1 Board Composition and Composition of Committees;
 - 4.2.2 Diversity of the Board;
 - 4.2.3 Strategy Determination Effectiveness thereof;
 - 4.2.4 Board Meetings and procedure followed therein.
- 4.3 Such evaluation to be carried out once in every year.
- 4.4 Based on the views expressed, the NR Committee shall assess and discuss the performance of the Board and ascertain key areas for improvement.

5. EVALUATION OF INDIVIDUAL DIRECTORS / INDEPENDENT DIRECTORS / NON-INDEPENDENT DIRECTORS / CHAIRPERSON

- 5.1 The evaluation criteria are as follows:
 - 5.1.1 Leadership & stewardship abilities;
 - 5.1.2 Qualification;
 - 5.1.3 Fulfilment of conditions of independence, wherever applicable;
 - 5.1.4 Attendance record, intensity of participation at meetings, quality of interventions and special contributions during the Board Meeting;
 - 5.1.5 Communication of expectations & concerns;
 - 5.1.6 Effective review of results, budgets, etc.;
 - 5.1.7 Identification, monitoring & mitigation of significant corporate risks;
 - 5.1.8 Assessment of policies, structures & procedures.
- 5.2 Evaluation of every individual Director shall be carried out by the NR Committee, based on the aforesaid criteria.
- 5.3 Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.
- 5.4 The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.
- 5.5 The Executive Director(s), Non-Executive Director(s) and the Independent Directors together will evaluate/assess performance of the Chairperson.
- 5.6 The evaluation(s)/assessment(s) stated above shall be conducted on an annual basis.
- 5.7 Outcome of each evaluation shall be reported to the Chairman of the NR Committee, who in turn will discuss the findings with the entire Board and ascertain key areas for improvement.

6. DETERMINATION AND REVIEW OF REMUNERATION

- 6.1 The NR Committee shall determine remuneration of Directors, Key Managerial Personnel and other Employees.
- 6.2 While undertaking the aforesaid, the NR Committee shall consider the following:
 - 6.2.1 Whether the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the respective persons of quality required to run the Company successfully;
 - 6.2.2 Whether the relationship of remuneration to performance is clear and meets appropriate benchmarks; and
 - 6.2.3 Whether remuneration to the respective persons involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.