

**RELIABLE VENTURES INDIA LIMITED: BHOPAL**

**POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS AND KEY  
MANAGERIAL PERSONNEL**

**EFFECTIVE FROM 12TH DAY OF FEBRUARY, 2015**

**1. Introduction::**

The Business by a listed Company must be carried out within the ambit of Companies Act 2013, listing agreement and various codes dealing with insider trading, codes of conduct for Directors and senior management personnel etc.

Section 178 of the Companies Act, 2013, read with Clause VIII of its Schedule IV and rules framed and notifications issued there under, makes it mandatory on the part of Board of Directors, inter-alia, of every listed Company to carry out periodical evaluation of its own performance besides, evaluation of each of the executive, non executive and independent Directors and Key Managerial Personnel (KMPs). The Nomination and Remuneration Committee- that must be constituted by the Board under the aforesaid provisions of the Act- is entrusted with the responsibilities of laying down the criteria for determining qualifications, positive attributes and independence of a director, identify suitable persons who meet the laid down criteria for appointment as directors and senior management personnel and formulate a policy dealing with these matters and recommend the same to the Board of Directors for adoption and implementation thereof.

Being one of the listed companies, Reliable Ventures India Limited (hereinafter referred to as "RVIL") too must have a policy for evaluation of performance of its different category of Directors, KMPs and its Board as a whole. Therefore, in term of the aforesaid provisions, the Nomination and Remuneration Committee of the RVIL has formulated this policy setting out the criteria for evaluation of the performance of its Directors, KMPs and the Board as a whole.

**2. Definitions :**

A. **"the Act"**: The Act shall mean The Companies Act, 2013;

B. **"the Company"**: The Company shall mean Reliable Ventures India Ltd. (RVIL).

C. **"the Director" or "the Board"**: The 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 Chairman of the Company

D. **"the Independent Director"**: The Independent Director shall mean 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"**: The policy or This Policy shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

F. **"the Committee" or "this Committee"**: The Committee or This Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

### **3. Objective of the Policy :**

The objective of this policy is to ensure compliance of applicable provisions of the Companies Act, Listing Agreement as amended or reenacted from time to time relating to the evaluation of performance of the each of Directors and the Board as a whole, laying down criteria for determining qualification, positive attribute of directors, Key Managerial Personnel and HODs and determining issues relating to the payment of remuneration to them tailored to the good corporate governance practices.

This policy shall be read in conjunction with the HR Policy, codes of conducts of Board members and Independent Directors already laid down and being in force. The policy is also directed to ensure Board delegated Committees too perform diligently; and efficiently in the line of delegated responsibilities.

*Further, the Nomination and Remuneration Committee shall carry out the performance evaluation of every director, key Managerial personnel and HODs of the Company in accordance with the criteria contained in the policy herein, based on which remuneration payable to them shall be determined.*

### **4. Responsibility of the Board of Directors:**

The Board of Directors ("Board") shall be responsible to organize the evaluation process in accordance with this policy with the help and coordination of Company Secretary and the Chairman of the Nomination and Remuneration Committee and conclude the steps required to be taken accordingly.

The Evaluation process need to be deployed in a manner and spirit that leads to the improvement of performance of Directors and KMPs, besides HODs of the Company, maximize their strength and handle shortcomings constructively.

1. The Chairman shall meet every director on individual to individual basis and discuss his/her performance
2. He shall review the performance reports submitted by the Chair Person of every Committee and suggestions, aimed at improving their performance and affectivity and their need-based reconstitution/reinforcement if any, based on the report and or changes in the legal scenario.
3. He shall review the Annual performance of the Company, lay down performance objectives for each of the Directors tailored to attainment annual performance plans
4. The Board as a whole shall analyze and discuss its own performance during a year, seek suggestions for improvement thereof in accordance with the performance objectives.

In term with the requirements of the Companies Act, 2013, the performance evaluation of Independent Directors shall be done by the entire Board, excluding the director being evaluated

### **5. Responsibility of Independent Directors:**

It shall be the duty of the Independent Directors to hold at least one meeting independent of other members of the Board and evaluate the performance of all Non-independent Directors, Chair Person of the Board and the Entire Board as a whole with due consideration to the views of executive and non-executive Directors of the Company.

**6. Evaluation Factors:**

For Board shall measure the performance of the Directors, KMPs inter-alia, on the following parameters with due regard to the duties and obligations contemplated under Schedule IV to the Companies Act 2013:

**(i) Evaluation of Independent Directors:**

1. Compliance with the provisions of Companies Act & other laws, ethical standards, codes.
2. Attendance in the Board and General Meeting.
3. Knowledge and Skills relevant to the business of the Company and adaptation thereof.
4. Independence, and rendering unbiased opinion,
5. Attitudes towards taking responsibilities as a Director
6. Willingness to act on and be accountable for his/her board room decisions.
7. Contribution to discussions of Board & Committees, suggestions strategic insight
8. Assistance in implementing corporate governance practices.
9. Leadership
10. Knowledge of internal and external environment relevant to the Company
11. Team work attribute
12. Safeguard of confidential information

**(ii) Evaluation of Executive and Non- independent Directors:**

1. Compliance of Companies Act and other laws, rules and regulations applicable to the Company.
2. Observance of internal codes and policies formulated by the Company
3. Qualification, supervisions, Leadership & communication skills.
4. Attitude towards lower echelon of the Management.
5. Attitudes towards other Board Members.
6. Establishment of internal control and risk management
7. Performance of the Company on the Stock Exchanges
8. Knowledge of and attitude towards Sr Personnel
9. Strategic financial and business planning.
10. Operational performance of the Company
11. Attendance at the Meetings of Board and Committees
12. Assistance in implementation of Corporate Governance Practices.
13. Steps taken for business and clientele development, staff appraisal & development and attitude towards taking responsibilities relating thereto
14. Team Building, vision and self development

**(iii) Evaluation of Key Managerial Personnel (KMPs)**

The evaluation of KMPs i.e. Chief Executive Officer, Managing Director, Company Secretary, Whole time Director, Chief Financial Officer etc. Shall be carried out by the Nomination and Remuneration Committee with the help and coordination of head of the Personnel Department of the Company and report thereof shall be made to the Chairman of the Company with specific recommendations, inter-alia relating to payment of remuneration. The Performance of KMPs shall be measured, inter-alia, on the following yard sticks.

1. Compliance with corporate and other laws, code of conduct, ethical standards and policies applicable to the Company.
2. Fulfillment of Role obligations and attainment of given objectives
3. Honesty, integrity, Punctuality and other related personal traits
4. Preparation and implementation of Annual plans and budgets.
5. Preparation of financial information and risk management reports
6. Follow up action taken on reports of internal and external auditors.
7. Reporting of frauds and violations of laws and codes
8. Safeguard of confidential information.

**(iii) Evaluation of the Entire Board:**

One of the important functions of the Board is to oversee the functioning of the management, laying down policy and procedures governing them. Therefore the evaluation of the performance of the entire Board is very necessary.

*In line with the provisions contained under the Companies Act, 2013, the overall effectiveness of the Board shall be measured by the Independent Directors on the basis of ratings obtained by each of the directors as well as the following factors:*

1. Whether composition of the Board Conforms to the legal requirements in term of category, numbers and skills and the Board represents the Company to the Community.
2. Whether Numbers of meeting convened and held by the Board are adequate for the Board to be effective.
3. Whether the Board is effective in term of roles understanding & decisions making
4. Whether Board carries out evaluation of the Directors, KMPs in the prescribed manner and remunerates them based on evaluation .
5. Whether Board formulates annual plan and measure the performance in term thereof periodically/ annually
6. Whether the Board receives regular reports on finance, budget, programmes, performance and
7. it is effective in providing need based advice and suggestions to the company's management.
8. The Information provided to Directors for the meeting meets the expectations of the individual directors in term of length, contents and
9. exigency of the business proposed to be transacted
10. Whether the manner of Board Meetings are conducted encourage open discussions, meaningful participations and leading to requisite and timely decisions.
11. The Chairman of the Board leads and facilitates the meeting appropriately and effectively

12. Whether the Directors comply with the code of conduct formulated under listing agreement and the insider trading and disclosure of timely and fair information to the public

**7. Scale of rating the performance:**

The scale for rating the performance under the Policy shall be as under:

Scale	Scale of Performance
5	Exceptionally Good
4	Good
3	Satisfactory
2	Requires improvement
1	Unsatisfactory

**8. Qualifications and positive attributes:**

The qualifications and positive attributes shall be decided by the Audit Committee based on the nature of requirements of the Company in consultation with the HR Department on case to case basis. However, in the matter of employment in the hotel undertaking of the company, the Committee shall give due weight age to the pass outs of in the segment of Hotel Management.

**9. Remuneration:**

*The Company aspires to performance based remuneration to its Directors, KMPs and HODs. Therefore, based on the aforesaid criteria of evaluation of performance, of Directors, KMPs and HODs, their remuneration shall be determined and reviewed from time to time by the Chairman & Managing Director of the Company.*

**10. Review and amendment of the Policy:**

Subject to the approval of the Board, by a resolution passed at its meeting, the performance evaluation policy and process thereof will be reviewed by the Nomination and Remuneration Committee to ascertain its appropriateness and with requirements of the Company... Such a view shall be carried out by the Committee by resolution passed by it.

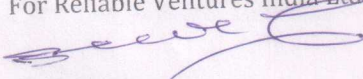
**11. Periodicity of Evaluation:**

The performance evaluation shall be carried out at least once at the close of every financial year

**11. Disclosure:**

In term of requirements of the Companies Act. 2013, rules made and notifications issued there under and Listing requirements, disclosure of the policy and the manner in which evaluation has been done shall form part of the Directors Report.

For Reliable Ventures India Ltd.



DIRECTOR  
Bhopal: Feb 12, 2015.