

# **WAAREE TECHNOLOGIES LIMITED**

*(Formerly Known as H.K. Trade International Limited)*

CIN: L74110MH2013PLC244911

## **PERFORMANCE EVALUATION POLICY**

This Performance Evaluation Policy (“Policy”) has been approved by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee in view of the various provisions of the Companies Act 2013 and rules notified thereunder to prescribe evaluation criteria for the Independent Directors and the Board of Directors of the Company.

### **1. INTRODUCTION:**

The Company has delegated a significant amount of responsibility to the Independent Directors and Board of Directors. In order to meet their fiduciary responsibility to be prudent in making such a delegation, the Nomination and Remuneration Committee of the Company (the “Committee”) as constituted under Companies (Meetings of Board and its Powers) Rules, 2014 recognizes that it has a duty to carefully monitor and evaluate the Independent Directors and Board of Directors it has appointed. Performance evaluation is important to the Committee and, therefore, it has approved this Policy to evaluate the Independent Directors and Board of Directors of the Company.

### **2. BOARD PARTICIPATION:**

All the Independent Directors and Board of Directors will have to comply with the evaluation criteria as laid down under this Policy and are encouraged to further discuss and refine their views during their meeting.

### **3. FREQUENCY AND TIMING:**

The evaluation will take place annually. The Board may undertake more frequent evaluations, if warranted. The evaluation of the Independent Directors and Board of Directors will be informal in nature, and the Nomination and Remuneration Committee of the Company may prescribe the process for such evaluation. The performance evaluation will typically address activities, events and accomplishments that took place during the most recently completed fiscal year.

#### **4. EVALUATION CRITERIA:**

##### **(a) Evaluation of Independent Directors:**

- i. The performance evaluation of any and all the independent directors of the Company shall be done by the entire Board of Directors of the Company (excluding the director being evaluated);
- ii. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director;
- iii. The criteria to be used in the evaluation of performance for the independent directors shall be as follows:
  - a. Integrity, possesses relevant expertise and experience and shall possess such other qualifications as may be prescribed by the Board;
  - b. skills and experience that can be of assistance to management in operating the Company's business;
  - c. demonstrate integrity, accountability and judgment;
  - d. add to the total mix of individuals on the Board so as to give the Company a Board that is effective, collegial, diverse and responsive to the needs of the Company;
  - e. ethical standards of integrity and probity;
  - f. objectively and constructively while exercising his duties;
  - g. time devotion and attention to his professional obligations during decision making;
  - h. Use of independent judgment to bear on the Board's deliberation especially on issues of strategy , performance, risk management, resources, key appointments and standards of conduct;
  - i. Safeguarding of the interests of all stakeholders, particularly the minority shareholders;
  - j. Balancing of the conflicting interest of the stakeholders;

##### **(b) Evaluation Criteria of Board of Directors:**

- i. The independent directors of the Company shall hold at least one meeting 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.
- ii. The independent directors in the meeting shall, inter-alia: a. review the performance of non-independent directors and the Board as a whole; b. review the performance of the Chairperson

of the Company, taking into account the views of executive directors and non-executive directors; c. 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.

- iii. The criteria to be used in the evaluation of performance for the Board of Directors shall be as follows:
- a. Integrity, possesses relevant expertise, experience and such other qualifications as may be prescribed by the Board;
  - b. skills and experience that can be of assistance to management in operating the Company's business;
  - c. demonstration of integrity, accountability and judgment;
  - d. add to the total mix of individuals on the Board so as to give the Company a Board that is effective, collegial, diverse and responsive to the needs of the Company;
  - e. ethical standards of integrity and probity;
  - f. act of objectively and constructively while exercising his duties;
  - g. devotion of time and attention
  - h. professional obligations for informed and balanced decision making;
  - i. 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;

## **5. INDEPENDENCE STANDARDS:**

An Independent Director is one whom the Board affirmatively determined has no material relationship with the Company. The Board of Directors has adopted the following categorical standards to assist it in determination of each Director's independence:

- (a) who in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (c) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

- (d) apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (e) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (f) who, neither himself nor any of his relatives:
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
    - c. holds together with his relatives two per cent or more of the total voting power of the company; or
    - d. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
    - e. is a material supplier, service provider or customer or a lessor or lessee of the company;
    - f. who is not less than 21 years of age.

## **6. PROCEDURE FOR EVALUATION:**

Any and all the Independent Directors and Board of Directors of the Company shall comply with the evaluation criteria as laid down under clause 4 of this Policy.

The Committee will be responsible for of the evaluation document and the accomplishments of the Independent Directors and the Board of Directors to each member of the Committee.

The Committee will conduct or oversee the ministerial duties to prepare, send, collect and tabulate the evaluation survey document and schedule conference calls or necessary meetings to facilitate the evaluation;

The individual comments and views may also be discussed in Nomination and Remuneration Committee meeting, including discussion with the Independent Director and the Board of Directors.

The Committee will meet with the Independent Director and the Board of Directors soon after the Committee meeting to deliver the outcomes of the evaluation.

The Independent Directors and the Board of Directors shall not be provided the results of the evaluation until after they have been discussed by the Committee in Committee meeting.

The discussions held during the Committee meeting are to be kept confidential among those who attend the meeting. The written evaluation results are not public records. They will be kept in the confidential personnel file of the Independent Director and the Board of Directors.

The evaluation results may impact the Independent Director's compensation.

## **7. DISCLOSURE OF THE POLICY:**

The Company may disclose this policy at the website of the Company at [www.hktrade.in](http://www.hktrade.in) and in the Annual Report for better corporate governance.

## **8. LEGAL ADVICE:**

If the Independent Director and the Board of Director should ever need legal advice in connection with the evaluation process under this Policy, it will seek counsel from the General Counsel. If conflicts of interest exist with that counsel, the Board will seek outside counsel, in accordance with law and its usual practice.

**9. REVIEW OF THE POLICY:**

The Committee will review this Policy on evaluation criteria on a regular basis to ensure its effectiveness. The Committee will discuss any revisions that may be required, and recommend any such provisions to the Board for consideration and approval.

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