

AEQUS LIMITED*

POLICY ON EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

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* Formerly known as Aequs Private Limited

REGULATORY FRAMEWORK

The Board of Directors ("Board") of Aequus Limited ("Company") has adopted this Policy to comply with various provisions under the Companies Act 2013 (the "Act") and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and also the formal annual evaluation made by the Board of its own performance (self-appraisals) and that of its committees and individual Directors as mentioned under the Act and Listing Regulations.

The Policy is based on the SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation ("SEBI Guidance Note"). The Committee shall evaluate the performance of each Director as per subsection (2) of Section 178 of the Act and based on the functions of the Independent Directors as indicated under Schedule IV (as per section 149) annexed to the Act and the rules made thereunder.

This Policy has been approved and adopted by the Board of the Company on May 8, 2025.

DEFINITIONS

1. "Act" means the Companies Act, 2013, read with the rules thereunder, as amended;
2. "Board" means the Board of Directors of the Company including the chairman of the Company
3. "Director" means a member of the Board;
4. "Independent Director" means a director of the Company who satisfies criteria for Independence in accordance with Companies Act, 2013 and the Listing Regulations
5. "Policy" or "this Policy" shall mean the Policy for Evaluation of performance of Board of Directors of the Company
6. "Committee" or "this Committee" shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Act and the Listing Regulations
7. "Listing Regulations" means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Words and expressions used and not defined in this Board Diversity Policy shall have the meaning ascribed to them in the Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Act and rules and regulations made thereunder

OBJECTIVE

The Object of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the entire Board of the Company. Further, to adopt best practices to manage the affairs of the Company in a seamless manner and ensure sustained long term value creation for stakeholders by achieving good corporate governance.

VARIOUS KINDS OF PERFORMANCE EVALUATION

A. APPRAISAL SYSTEM

The Committee shall finalize the criteria every year before appraisal of directors takes place. The recommended criteria are given in Annexure I annexed hereto. However, these are not mandatory and recommendation only. The Committee may adopt, amend, modify, drop any criteria for any or all directors during any year. The appraisal of each Director of the Company shall be based on the criteria as mentioned herein below. This appraisal is mandatory and will be done under the provision of the clause (p) of subsection (3) of Section 134 of the Act.

B. EVALUATION OF THE PERFORMANCE

The Committee shall evaluate the performance of each Director of the Company under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Act and based on their functions as mentioned in the Code of Conduct of the Directors and Senior Management Personnel and the Criteria for Evaluation of Performance as prescribed in this Policy.

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 Independent Director getting evaluated.

Based on the performance evaluation of each and every Director and the chairman of the Company, the Committee shall provide the ratings based on each criteria and sub-criteria.

C. EFFECTIVENESS OF THE BOARD

Based on the ratings given by the Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the appointments, re-appointments and removal of the non-performing Directors of the Company.

SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS

Evaluation of the executive Directors of the Company shall be carried out by entire Board except the executive Director being evaluated. The meeting for the purpose of evaluation of performance of Board members shall be held at least once in a year.

CRITERIA FOR EVALUATION OF PERFORMANCE

The Committee has laid down inter-alia, the following criteria for evaluation of performance of the Board as a whole, the individual directors (including independent directors), the committees and the chairperson:

1. Overall Board evaluation:

- a) The composition of the Board and committee is adequate and commensurate with the size of the Business.
- b) The Board knows and understands the Company's mission and engages in long range strategic thinking and planning;

- c) The Board ensures that new Board members receive a prompt, thorough orientation;
- d) The Board ensures that the meeting agendas are well-balanced, allowing appropriate time for the most critical issues;
- e) The Board recognizes its policy-making role, and reconsiders and revises policies, as necessary;
- f) The Board reviews and adopts an operating budget / business plan that is followed and monitored throughout the year;
- g) The Board ensures that the discussions reach a conclusion with clear direction for implementation and is collegial and polite during meetings; and
- h) The new Board members participate in an orientation program to educate themselves on the organization, their responsibilities, and the organization's activities.

The Committee has laid down the criteria for evaluation of performance of executive Directors, Independent Directors, Chairman and the Board:

1. Overall Board evaluation:

- a) The composition of the Board and committee is adequate and commensurate with the size of the Business.
- b) The Board knows and understands the Company's mission and engages in long range strategic thinking and planning;
- c) The Board ensures that new Board members receive a prompt, thorough orientation;
- d) The Board ensures that the meeting agendas are well-balanced, allowing appropriate time for the most critical issues;
- e) The Board recognizes its policy-making role, and reconsiders and revises policies, as necessary;
- f) The Board reviews and adopts an operating budget / business plan that is followed and monitored throughout the year;
- g) The Board ensures that the discussions reach a conclusion with clear direction for implementation and is collegial and polite during meetings; and
- h) The new Board members participate in an orientation program to educate themselves on the organization, their responsibilities, and the organization's activities.

2. Individual directors (including independent directors) evaluation:

- a) Attendance and contribution at Board and Committee meetings.
- b) His/her stature, expertise, skills, behavior, experience, leadership qualities and understanding of business, strategic direction to align company's value and standards.

- c) His/her knowledge of finance, accounts, legal, marketing, internal controls, risk management, business operations, processes and corporate governance.
- d) His/her ability to create a performance culture that derives value creation and a high quality of debate with robust and probing discussions.
- e) Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- f) Open channels of communication with executive management and other colleagues on Board to maintain high standards of integrity and probity.
- g) Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- h) His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- i) Quality of decision making on different areas of business operation like marketing, material procurement, and understanding financial statements and business performance, raising of finance, working capital requirement, human resources etc.
- j) His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and risk management systems in place.
- k) His/her contribution to enhance overall brand image of the Company.

3. Committee evaluation:

- a) The committees are comprised of the right number and type of members and are effective;
- b) The composition, terms of reference, roles and responsibilities of the committees are in line with the applicable laws and are actively adhered to by the members;
- c) The committee meeting agendas are well- balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions; and
- d) The committee meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.

4. Chairperson evaluation:

- a) The chairperson of the Board guides the Board in meeting as per the requirements under the Companies Act 2013 and SEBI Listing Regulations;
- b) The chairperson conducts the Board meetings in a respectful and efficient manner facilitating open and productive discussion;
- c) The chairperson is available accessible to directors. He communicates and consults with directors between Board Meetings, if required;

- d) The chairperson provides confidential and constructive feedback to directors to help them enhance their contribution and effectiveness; and
- e) The chairperson is open to receive feedback and suggestions from directors to enhance Board's and his/her own effectiveness.

PROCEDURE TO RATE THE PERFORMANCE

Based on evaluation criteria, the Committee and the Board shall rate the performance of the each and every Director. The meeting for the purpose of evaluation of performance of the members of the Board shall be held at least once in a year. The performance rating shall be given within minimum 1 and maximum 10 categories, the rating 1 being least effective and 10 being most effective. Based on the rating of performance the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

DISCLOSURES

The Company shall disclose the criteria laid down by the Committee for performance evaluation on its website for reference and also in the annual report of the Company.

AMENDMENT

The Committee periodically shall review this Policy and shall also have the power to amend any of the provisions of this Policy, substitute any of the existing provisions with a new provision or replace this Policy entirely with a new Policy. The Committee may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In case of any modification / amendment / re-enactment of any existing acts, rules, regulations, guidelines etc. or an enactment of any new act, rules, regulations, guidelines, etc., which are inconsistent with this Policy, then such modified / amended / re-enacted provision or new provisions shall prevail over the Policy.

REFERENCE

As mandated by:

- Regulation 19(4) read with Part D of Schedule II of the Listing Regulations

VERSION HISTORY

Sr. No	Version	Approved by	Effective Date	Amendment Summary
1	1.0	Board of Directors at its meeting held on May 08, 2025	May 08, 2025	-

COMPANY – BOARD MEMBER FEEDBACK

Our Company believes in value for its stakeholders through ethical processes and integrity. The Board plays a very important role in ensuring the Company's performance is monitored and timely inputs are given to enhance its performance and set the right direction for growth. Hence it is important that every individual Board member effectively contributes in the Board deliberations.

Name of the Director: _____

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Sl. No.	Question	Rating	Remark
1.	Participation and attendance in Board and Committee meetings actively and consistently		
2.	Prepare adequately for Board and Committee meetings		
3.	Contributes to strategy and other areas impacting company's performance		
4.	Brings his/her experience and credibility to bear on the critical areas of performance of the organization		
5.	Keeps updated knowledge of his/her areas of expertise and other important areas		
6.	Communicates in open and constructive manner		
7.	Gives fair chance to other members to contribute, participates actively in the discussions and in consensus oriented		
8.	Helps to create brand image of the Company and helps the company wherever possible to resolve issues, if any		
9.	Actively contributes towards growth of the Company		
10.	Conduct himself/herself in a manner that is ethical and consistent with the laws of land		
	Total Ratings		

Note: Rating 90 and above- excellent, between 75 to 89- Very good, between 60-74- Good, between 35 to 59- Satisfactory and less than 35-Unsatisfactory

ANNEXURE I - CRITERIA FOR EVALUATION

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Criteria's Performance For Evaluation	Sub-Criteria of Evaluation of Performance	Rating
Based on job profile	Knowledge of job profile	
	Skills required to perform or to execute the job profile	
Based on responsibilities and obligations	Attendance and participation in the meetings	
	Expert opinions in respect of the serious issues	
Based on strategies	Strategies formulated and successfully implemented	
	Various Directions provided in the best interest of the Company on key issues	
Based on performance management	Performance of the Company on the stock exchanges	
	Performance	
	Achievement of domestic or international award	
Based on Risk management	Avoidance of high financial risk while executing the functions and duties	
	Avoidance from any other high risk	
Based on Talent management	Achievement in respect of successful negotiations	
	Level of talent retained at low, mid and top level	
Based on Governance and Compliance Management	Review of detailed compliances applicable under the various laws, rules and regulations	
	Reviewing whether the business is running legally or not	
Based on conflict-of interest management	Strategy to resolve the conflict of interest in other Directors	
	Strategy to resolve the conflict of interest in other employees	
Based on financial and operational control mechanism	Control on financial dealings	
	Control on internal operational activities	
Based on maintaining of corporate culture and moral values	Initiatives to maintaining corporate culture of the Company	
	Initiatives to maintaining moral values of the Company	
Based on maintaining high level of integrity and ethics	Initiative to maintaining high level of integrity	
	Initiative to maintain high level of ethics	
Based on compliance with the Code of Conduct for Board of Directors and	Functioning of duties and responsibilities as per the Code of Conduct for Board of Directors and Senior Management Personnel	

Senior Management Personnel	Abidance and behavior in accordance with Code of Conduct for Board of Directors and Senior Management Personnel	
Based on the in- general knowledge and skills	Skills required for carrying out business activities	
	Communication skills and quick responsiveness	