

STONE INDIA LIMITED
(CIN: L35201WB1931PLC006996)
POLICY ON EVALUATION OF PERFORMANCE OF DIRECTORS AND THE BOARD,2017
(Adopted in the Board Meeting on 26th May, 2017)

1. PREAMBLE

The Company is committed to upholding the highest ethical and legal conduct in fulfilling its responsibilities and recognizes the necessity of framing a Board Evaluation Policy for the Company.

The Board of Directors (the "Board") of Stone India Limited (the "Company" or "SIL"), adopts the following policy and procedures with regard to Board Evaluation Policy as defined below, in compliance with the directives of Securities and Exchange Board of India issued on 5th January,2017, the relented provisions of the Companies Act 2013 and Rules made there under and any subsequent amendments thereto (the "Act").

2. OBJECTIVE:

This Policy aims to:

- (i) Ensure compliance of the applicable provisions of the Companies Act, 2013 (the Act) and the SEBI(LODR) Regulations,2015 (as amended or re-enacted from time to time) relating to the evaluation of performance of the Directors and the Board
- (ii) adopt best practices to manage the affairs of the Company in seamless manner.
- (iii) achieve good corporate governance as well as sustained long-term value creation for stakeholders.

3. EVALUATION:

(i) The Nomination and Remuneration Committee (NRC) shall carry out the evaluation of performance of every Director. The evaluation of performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated. Evaluation performance should be carried out at least once in a year.

(ii) While evaluating the performance of the Non Executive Directors (NEDs), the following parameters shall be considered:

- (a) Attendance at meetings of the Board and Committees thereof,
- (b) Awareness of Board formalities
- (c) Insights and Observations
- (d) Expression of Views
- (e) Understanding the Sector and Needs of the Company
- (f) Participation in Board meetings or Committee thereof,
- (g) Contribution to strategic decision making,
- (h) Review of risk assessment and risk mitigation,

- (i) Review of financial statements, business performance.
- (j) Contribution to the enhancement of brand image of the Company.

(iii) While evaluating the performance of the Managing Director and the Wholetime Director, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company.

(iv) Evaluation of performance shall be carried out at least once a year.

(v) The Company shall provide suitable technical or business related training to the Non-Executive Directors including Independent Directors. Any other need based training shall also be provided.

(vi) The evaluation of the Directors and the Board shall be carried out based on the feedback form which forms part as **Annexure** to this Policy.

(vii) Board provides effective direction on key decisions impacting the performance of the company. Board effectively reviews the financial performance of the company and suggests corrective actions.

(viii) Board effectively mentors the senior members of the company besides monitoring the succession plans of Senior leaders. Board ensures that the company values are adequately reflected in the way the company is run.

(ix) Board effectively reviews the risk management framework in the company and provides appropriate direction for corrective actions where necessary.

(x) Board strives towards adapting best practices in governance while also fully complying with the laws of land.

(xi) The process for setting the board agenda is transparent, realistic to the current needs and meeting material is shared well in time. The frequency and duration of the board meetings are adequate to ensure a proper discharge of all the responsibilities. Overall board meeting is held in open and objective manner where there is adequate opportunity for members to share their views.

