



PACE DIGITEK LIMITED

POLICY FOR EVALUATION OF PERFORMANCE OF BOARD

Document version	Approved By	Date of approval	Date of Amendment
1.0	Board of Directors	01 st February, 2025	-

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1. PREFACE:

This policy for evaluation of performance of Board of Directors ("**Policy**") of Pace Digitek Limited ("**the Company**") has been adopted by the Board of Directors of the Company on **01st February, 2025**, as per the statutory requirements under the Companies Act, 2013 ("**Act**") and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

Given that overseeing the Company's performance ranks among the primary duties of the Board of Directors, this policy seeks to implement a structured process for regularly evaluating the Board, its committees, and the performance of individual directors, while also defining the criteria for such evaluations. The NRC Committee shall formulate criteria for evaluation of performance of all members of Board of Directors and the Board itself.

The Act and the SEBI Listing Regulations also recognize the need for constant improvement of the top management by mandating annual Board evaluation and reporting on the process of evaluation followed, in their annual Board of Directors Report to the members of the Company.

2. DEFINITIONS:

- 2.1 "**Act**" means Companies Act, 2013 including the rules framed there under and any statutory amendment(s) or modification(s) or circular(s) or notification(s) or order(s) thereof for the time being in force.
- 2.2 "**Company**" means Pace Digitek Limited.
- 2.3 "**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.
- 2.4 "**Director**" means directors of the Company.
- 2.5 "**Independent Director**" means an Independent Director as defined under Section 2 (47) to be read with Section 149 (6) of the Act.
- 2.6 "**Policy**" means the policy for evaluation of performance of Board of Directors of the Company.
- 2.7 "**Committee / NRC Committee**" means the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Act and the SEBI Listing Regulations.

3. SCOPE OF EVALUATION:

The scope of the evaluation extends to Directors including Independent Directors, the Executive Chairman, the Managing Director / Whole Time Directors and to Key Executives on the basis of the Criteria set forth by the NRC Committee.

4. OBJECTIVE:

This Policy aims to:

- 4.1 Ensure compliance with the applicable provisions of the Act and SEBI Listing Regulations entered into with the stock exchanges (as amended or re-enacted from time to time) relating to the evaluation of performance of the Directors and the Board.
- 4.2 Adopt best practices to manage the affairs of the Company in a seamless manner.
- 4.3 Achieve good corporate governance as well as sustained long-term value creation for stakeholders.
- 4.4 Recognize the strengths and identify improvement areas to achieve vision and mission of the Company.
- 4.5 To ensure commitment to performance management.
- 4.6 To review challenges in the dynamics of the Board or among the Board and management.
- 4.7 To develop appropriate skills, competencies and motivation on Board.

5. CRITERIA FOR EVALUATION:

The criteria for evaluation of the Directors, Board and Committee is laid out in Annexure A, Annexure B and Annexure C, respectively. These include quantitative questions along with an option to provide qualitative comments. Each of the questions have the following five options:

Strongly disagree	1
Disagree	2
Neither agree nor disagree	3
Agree	4
Strongly agree	5

EVALUATION OF THE PERFORMANCE:

5.1 The NRC Committee shall carry out the evaluation of the performance of every Director.

5.2 The evaluation of performance of the Independent Directors shall be carried out by the Board which shall include:

- (i) Performance of the Independent Directors; and

Fulfilment of the independence criteria as specified in the SEBI Listing Regulations and their independence from the management.

Provided that, in the above evaluation, the Directors who are subject to evaluation by the NRC Committee shall not participate.

5.3 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; and in this meeting they shall:

- (i) Review the performance of non-independent directors and the Board as a whole;
- (ii) Review the performance of the Chairman of the company, taking into account the views of executive directors and non-executive directors.

5.4 The evaluation performance of Committees of Board shall be carried out by the Board.

5.5 Evaluation performance should be carried out at least once a year and the evaluation report shall be placed before the Board.

5.6 The evaluation of the Directors, Board and its committees shall be carried out based on the questionnaire and feedback form given as Annexure A, B and C to this policy. Based on a review of the business environment and Company performance, the Board may choose the set of criteria to be used for the year.

5.7 Some of the performance indicators on which the Board and Committees can be evaluated are mentioned below:

- 5.7.1 Charter: Clear and Comprehensive;
- 5.7.2 Composition and quality of the Board/Committee;
- 5.7.3 Tenure of Board/Committee members;
- 5.7.4 Frequency of meetings, attendance at meetings of the Board and Committees thereof, and participation in the Board Meetings of committees thereof;
- 5.7.5 Issues identified for discussion;
- 5.7.6 Time allocated for the meetings;
- 5.7.7 Adequacy of information supplied with agenda;
- 5.7.8 Actions on Board recommendations;
- 5.7.9 Compliance of Secretarial Standards;
- 5.7.10 Overall stakeholder value creation;
- 5.7.11 Ethics and compliance;
- 5.7.12 Oversight of the financial reporting process, including internal controls.

6. DISCLOSURE

6.1 In accordance with the requirements under the SEBI Listing Regulations and the Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of its own performance, performance of various Board Committees and individual Directors will be made by the Board in the Board's report. Further, the Board's report containing such statement will be made available for the review of shareholders at the general

meeting of the Company. The key features of this Policy will be included in the corporate governance statement contained in the annual report of the Company.

- 6.2 In the corporate governance section of the annual report, performance evaluation criteria for independent directors shall be disclosed.
- 6.3 The Company may additionally consider the following as a part of its disclosures on Board evaluation:
 - 6.3.1 Observations of Board evaluation carried out for the year.
 - 6.3.2 Previous year's observations and actions taken.
 - 6.3.3 Proposed actions based on current year observations.

7. PERIODICAL REVIEW OF EFFECTIVENESS:

This Policy shall be reviewed by the NRC Committee annually and changes if any, will be placed before the Board. Subject to the approval of Board, the "NRC Committee" reserves its right to review and amend this policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the NRC Committee.

8. AMENDMENTS / LIMITATION:

In the event of any conflict between the Act or the SEBI Listing Regulations or any other statutory enactments and the provisions of this Policy, the Regulations shall prevail over this Policy and the provisions in this policy would be modified in due course to make it consistent with any subsequent amendment/modification in the law.

Note: This policy has been approved by the Board of Directors of the Company at its meeting held on February 01, 2025 and shall be effective from February 01, 2025

Annexure A-

INDIVIDUAL DIRECTORS

(INCLUDING MANAGING DIRECTOR, INDEPENDENT DIRECTORS, NON-INDEPENDENT DIRECTORS, ETC.)

EVALUTION CRITERIA	RATING
Uphold ethical standards of integrity and probity;	
Act objectively and constructively while exercising his / her duties;	
Exercise his/ her responsibilities in a bona fide manner in the interest of the Company;	
Devote sufficient time and attention to his/ her professional obligations for informed and balanced decision making;	
Not allow any extraneous considerations that will vitiate his / her 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;	
Not abuse his / her position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;	
Refrain from any action that would lead to loss of his/ her independence;	
Where circumstances arise which make an independent director lose his / her independence, the independent director must immediately inform the Board accordingly;	
Assist the Company in implementing the good corporate governance practices.	
Possess and demonstrate: (a) specialized professional knowledge, qualifications and experience as deemed fit by the Board; (b) requisite domain knowledge, judgement, experience and accountability in the decision making process of the Board;	
Contribute and value add to the board's compositions in effective strategizing of plans and its implementation to the operations and needs of the Company;	
Bring an objective view in the evaluation of the performance of Board;	
Assess and evaluate the performance of management vis a vis performance of the Company and monitor the reporting of performance;	
Bring in professional expertise, experience and independent judgment on Board's deliberation(s) on various aspects such as strategy plannings, performance, risk management;	

Protect the interests of all stakeholders and balance the conflicting interest of the stakeholders;	
Review, determine and approve remuneration of executive directors, key managerial personnel and senior management and recommend remedial measures, if necessary;	
Mediate and settle matters involving interest of the Company vis a vis conflict between management and shareholder's interest;	

Strongly disagree	1
Disagree	2
Neither agree nor disagree	3
Agree	4
Strongly agree	5

ANNEXURE B

EVALUTION CRITERIA- BOARD	RATING
The composition, terms of reference, roles and responsibilities of the committees are in line with the Companies Act 2013 and SEBI Listing Regulations. The Chairman of the Board guides the Board in meeting as per the requirements under the Companies Act 2013 and SEBI Listing Regulations.	
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The Chairman conducts the Board meetings in a respectful and efficient manner facilitating open and productive discussion. The Chairman is available accessible to Directors. He communicates and consults with Directors between Board Meetings, if required. The Chairman provides confidential and constructive feedback to Directors to help them enhance their contribution and effectiveness.	
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The Chairman is open to receive feedback and suggestions from Directors to enhance Board's and his/her own effectiveness. The Board Chairman acts as an effective bridge between the Board and Committee Chairman.	
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Strongly disagree	1
Disagree	2
Neither agree nor disagree	3
Agree	4
Strongly disagree	5

Annexure C

EVALUATION CRITERIA - COMMITTEE	RATING
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 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. Committee meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues	
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Strongly disagree	1
Disagree	2
Neither agree nor disagree	3
Agree	4
Strongly disagree	5

