

MODULEX CONSTRUCTION TECHNOLOGIES LIMITED
(Formerly known as Tumus Electric Corporation Limited)

PERFORMANCE EVALUATION POLICY FOR BOARD, COMMITTEES AND DIRECTORS

1. INTRODUCTION

The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis and in the best interest of the company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 ('the Act'), as amended from time to time, which provides that a policy is to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the Directors and will ensure that they exercise their powers in a rational manner.

2. OBJECTIVE

With an aim to maintain a proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this Board Performance Evaluation process aims to ensure that individual directors ("Directors") and the Board of Directors of the Company ("Board") as a whole work efficiently and effectively in achieving Company's objectives. This policy aims at establishing a procedure for the Board to conduct periodic evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

3. EVALUATION PROCESS

There will be an annual evaluation of performance of the Board, Directors and Committees for every financial year.

The Nomination and Remuneration Committee shall specify the manner for effective evaluation of the performance of the Board. The process of evaluating the performance of the Board as a whole is the responsibility of the Board or Nomination and Remuneration Committee or an independent external agency.

Evaluation to be carried out in consultation and discussion with the directors and the Chairman may take a decision in this respect.

4. EVALUATION/ REVIEW BY THE BOARD

The Board shall review and evaluate the overall performance of its own as whole, Board Committees and Individual Directors keeping in view various factors including as provided in this Policy.

5. EVALUATION OF THE BOARD

Following are some of the key areas and criteria of focus which should be kept in view in evaluation.

- a. Whether Board composition with appropriate mix of skills to match Company's requirement.
- b. Whether Board has a range of talents, experience and knowledge to accomplish its role and responsibilities.
- c. Whether Board size is adequate to effectively govern the Company.
- d. Whether Board meeting presentations and discussions consistently reflect the Company's business activities, plan and growth.
- e. Whether the Board takes continuous efforts for development of a strategy and risk management.
- f. Whether the Board provides effective feedback and suggestions to management on its requirements.
- g. Whether Board meetings are frequent enough to ensure effective governance.
- h. Whether Board meetings are long enough to accomplish the agenda.
- i. Whether Board members fully and positively participate in discussions.
- j. Whether Board meetings includes an opportunity for discussion about the Company's activities and future plan.

The Independent Directors of the Company shall review the performance of the Board as a whole in its separate meeting, without the attendance of the non-independent directors and members of the management.

6. EVALUATION OF DIRECTORS

Following are some of the key areas and criteria of focus which should be kept in view in evaluation.

- a. Attendance and Participation
- b. Pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition
- c. Maintaining confidentiality
- d. Acting in good faith and in the interests of the company as a whole
- e. Exercising duties with due diligence and reasonable care
- f. Complying with legislations and regulations in letter and spirit
- g. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion
- h. Maintaining relationships of mutual trust and respect with Board members
- i. Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.

7. EVALUATION OF NON-INDEPENDENT DIRECTORS

Following are the key areas and dynamics which should keep in view in evaluation of the performance of non-independent and executive Directors.

- a. Whether attendance of the Directors at meeting of the Board, Committees and general meetings of shareholders are satisfactory.
- b. Whether Directors are well prepared and informed for Board Meetings.
- c. Contribution in relation to effective functioning of business operation, cost saving and internal control.
- d. Contribution to the development of strategy and risk management in the board meetings.
- e. Contribution in the board development process.
- f. Participation in reviewing new policies, financial statements, business review and internal audit and control.
- g. Knowledge about the latest developments in the areas such as the corporate governance, industry and market conditions and business prospects.
- h. Willingness to spend time and effort for learning about the Company and participate in the events happening outside board meetings, whenever organized.

The Independent Directors of the Company shall review the performance of the non-independent directors in its separate meeting, without the attendance of the non-independent directors and members of the management.

8. EVALUATION OF INDEPENDENT DIRECTORS

Following are the key areas and dynamics which should keep in view in evaluation of the performance of Independent Directors.

- a. Attendance of the Director at meeting of the Board, Committees and general meetings of shareholders.
- b. Knowledge about the latest developments in the areas such as the corporate governance, financial reporting and regulatory aspects.
- c. Contribution in the Board development processes.
- d. Participation of the Director in the meeting for reviewing related party transactions, financial statements, business review etc.
- e. Attention paid by the Director on adequate deliberations being held before approving related party transactions and expression of views in best interest of the Company.
- f. Assistance given in protecting the legitimate interests of the Company, employees and investors.
- g. Participation in meetings and events outside board meetings such as site visits, business events and conference whenever organized.
- h. Extending individual proficiency and experience for effective functioning and operation of the Company.
- i. Focus to comply with the provisions of "code for independent directors" as given in Schedule IV under the Companies Act, 2013.

According to Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (LODR Regulations), the evaluation of Independent Directors shall be done by the entire board of directors which shall include -

- (a) performance of the directors; and
- (b) fulfillment of the independence criteria as specified in these regulations and their independence from the management:

In the above evaluation, the directors who are subject to evaluation shall not participate.

9. EVALUATION OF THE CHAIRPERSON

Following are the key areas and criteria of focus which should keep in view in evaluation of the performance of the Chairperson:

- a. Effectiveness of leadership and ability to steer the meetings
- b. Impartiality
- c. Commitment
- d. Ability to keep shareholders' interests in mind

10. EVALUATION OF THE COMMITTEES

Following are the key areas and criteria of focus which should keep in view in evaluation of the performance of Committees of the Board.

- e. Whether the Committees dedicate appropriate time and resources needed to execute its responsibilities.
- f. Whether the Committees maintains adequate minutes of each meeting.
- g. Whether the members have appropriate experience to meet the objectives of the constitution of the Committee.
- h. Whether the Committee reports proceedings and recommendations to the Board.
- i. Whether the Committees communicates regularly with the Board.
- j. Whether the Committee meetings are conducted effectively.
- k. Whether the Committees understand the process implemented by management to fulfill the responsibilities of the Committee.
- l. Whether Committee Meetings are held with enough frequency to fulfill the duties and business necessity.

11. EVALUATION/ REVIEW BY THE NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee (NRC) shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance as per requirement of section 178(2) of the Companies Act 2013.

12. EVALUATION/ REVIEW BY INDEPENDENT DIRECTORS

- a. The Independent Directors of the Company shall hold at least one separate meeting in a financial year without attendance of non-independent directors and members of management. In this meeting, the Independent Directors shall review the performance of non-independent directors and the Board as a whole, keeping in view the provisions of this Policy.
- b. Independent Directors shall also review the performance of the Chairperson of the Company.
- c. The separate meeting of the Independent Directors shall:
 - (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.

13. AMENDMENTS IN THE POLICY

The Board of Directors on its own can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

14. CONFIDENTIALITY

The Board, Directors, Key Managerial Personnel (KMP), employees, associates shall keep confidential the terms of this Policy, records, reports, discussion, communications, matters, details relating to this Policy, evaluation and matter relating thereto, and shall not share or convey the same, directly or indirectly, with any employee, department or person, except to the extent necessary in performance of the office duties or except with approval of Director.