

Haleos Labs Limited

(Formerly known as "SMS Lifesciences India Limited")

Board Evaluation policy

Introduction

Board Evaluation policy ("**Policy**") of Haleos Labs Limited ("**Company**") is formulated pursuant to Regulation 19 and Schedule II (Part "D") of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 (2), 134(3)(p) and other provisions of the Companies Act, 2013.

The purpose of the Board Evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

This Policy shall be available at the website of the Company at haleoslabs.com/policies

Objective & Purpose

The purpose of this Policy is to

- ✚ Ensure compliance of the applicable provisions of the Companies Act, 2013 and SEBI Regulations relating to the evaluation of performance of the Directors and the Board as a whole.
- ✚ Adopt best practices to manage the affairs of the Company in seamless manner.
- ✚ Achieve good corporate governance as well as sustained long-term value creation for stakeholders.

Performance evaluation is the process of both formally and informally providing feedback about an individual's implementation of his / her responsibilities. Hence, the objective is to formulate procedures and also to prescribe and lay down the criteria to evaluate the performance of the Board, its Committees and individual Directors of the Company.

Evaluation Factors

Nomination and Remuneration Committee ("NRC") shall carry out the evaluation of performance of the Board, its Committees and individual Directors of the Company.

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

Rating Scale:

<u>Performance</u>	<u>Rating</u>
Poor	1
Needs improvement	2
Satisfactory	3
Exceeds expectation	4
Outstanding	5

A. BOARD OF DIRECTORS:

Following parameters should be considered while evaluating the performance:

SI No.	Assessment Criteria	Ratings	Remarks/ Comments
1.	The Board of Directors of the company is effective in decision-making.		
2.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.		
3.	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
4.	The Board reviews the Company' performance in carrying out the stated mission on a regular basis.		
5.	The Board of Directors is effective in providing necessary advice and suggestions to the Company's management.		
6.	The Board as a whole is up to date with the latest developments in the regulatory environment and the market.		
7.	The information provided to Directors prior to Board meetings meets expectations in terms of length and level of detail.		
8.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		

9.	The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.		
10.	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.		
11.	The Board oversees the role of the Independent Auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance.		
12.	The Board considers the Independent Audit plan and provides recommendations.		

B. COMMITTEES OF BOARD:

The Board has constituted the following committees:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders Relationship Committee
- 4) Corporate Social Responsibility Committee

For evaluating the performance of each Committee, the following aspects should be considered:

Sl No.	Assessment Criteria	Ratings	Remarks/ Comments
1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	Timely inputs in respect of the minutes of the meetings.		

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and of its Committees and individual Directors as, such evaluation factors may vary in accordance with their respective functions and duties.

C. INDEPENDENT DIRECTOR:

Performance evaluation of Independent Director shall be based following parameters, in which the concerned Director being evaluated shall not be included:

SI No.	Assessment Criteria	Ratings	Remarks/ Comments
1.	Attendance and participation in the meetings		
2.	Raising of concerns to the Board		
3.	Safeguard of confidential information		
4.	Contribution to strategic decision making		
5.	Rendering independent, unbiased opinions and resolution of issues at meetings		
6.	Understanding of the Company and the external environment in which it operates and contribution to strategic direction		
7.	Safeguarding interest of whistle-blowers under vigil mechanism		
8.	Review of risk assessment and risk mitigation		
9.	Review the financials & business performance.		
10.	Timely inputs on the minutes of the meetings of the Board and Committee's,		

D. EXECUTIVE DIRECTOR:

Performance evaluation of Executive Director shall be based following parameters, in which the concerned Director being evaluated shall not be included:

SI No.	Assessment Criteria	Ratings	Remarks/ Comments
1.	Leadership initiative		
2.	Contribution towards growth of the Company including actual vis-à-vis budgeted performance		
3.	Adherence to ethical standards & code of conduct of Company		
4.	Teamwork attributes and supervising & training of staff members		
5.	Reporting of frauds, violation etc.		
6.	Review the financials & business performance.		
7.	Timely inputs on the minutes of the meetings of the Board and Committee's		

Additional Evaluation Process

Evaluation of performance of the Independent Directors shall also be carried out by the entire Board of Directors excluding the Director being evaluated pursuant to Regulation 17 (10) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, based on following criteria's:

S. No.	Assessment Criteria
1.	Attendance and participation in the meetings
2.	Raising of concerns to the Board
3.	Safeguard of confidential information
4.	Contribution to strategic decision making
5.	Rendering independent, unbiased opinions and resolution of issues at meetings
6.	Initiative in terms of new ideas and planning for the Company
7.	Safeguarding interest of whistle-blowers under vigil mechanism
8.	Review of risk assessment and risk mitigation
9.	Review of financial statements, business performance.

Separate Meeting on Independent Directors:

Company shall hold at least one meeting in a year pursuant to Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, without the attendance of Non-Independent Directors & members of management.

In the meeting the Independent Directors shall:

- ✚ review the performance of Non-Independent Directors and the Board as a whole;
- ✚ review the performance of the Chairman of the Company, if any taking into account the views of Executive Directors and Non-Executive Directors;
- ✚ 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.

All the Independent Directors of the Company shall strive to be present at such meeting and evaluate the performance of the Board and Non-Independent Directors of the Company based on the "Evaluation sheets" to be tabled at the Meeting.

Policy Review

Subject to the approval of the Board, the Nomination and Remuneration Committee reserves its right to amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company.

This policy was approved by Board on February 10, 2024.

(Only the name of the Company has been updated pursuant to name change of the Company)



Haleos