

POLICY FOR FORMULATION OF CRITERIA FOR EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS

1. BACKGROUND

Schloss Bangalore Limited (the “**Company**”) recognises the importance of conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in consonance with the Code of Conduct for the Board and the Senior Management (the “**Code**”).

Therefore, the Company has formulated and adopted this policy in its meeting held on 20 May, 2025 for evaluation of the performance of the board of directors (the “**Board**”) of the Company (the “**Policy**”) to comply with various applicable provisions under the Companies Act, 2013, as amended (the “**Companies Act**”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI 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 in clause (p) of sub-section (3) of Section 134 of the Companies Act.

The evaluation of the Board and of each director shall be carried out by the Nomination and Remuneration Committee of the Board (the “**Committee**”) in accordance with this Policy.

2. OBJECTIVES

The objective of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the Board. The Policy is to assess and enhance the effectiveness of the Board as a whole. An individual director is assessed on his/ her effective contribution and commitment to the role and responsibilities as a director.

3. APPLICABILITY

This Policy applies to the Board, the committees of the Board, as well as to all the Directors of the Company individually.

4. EVALUATION OF THE PERFORMANCE

Evaluation of the executive directors of the Company shall be carried out by the Board, excluding the executive director being evaluated. The performance of the whole-time director/ chief executive officer/ managing director shall be evaluated by the Committee in accordance with this Policy.

Evaluation of the independent directors of the Company shall be carried out by the Board, excluding the independent director being evaluated. The following shall be evaluated: (i) the performance of the directors; (ii) fulfilment of the independence criteria as specified in the SEBI Listing Regulations; and (iii) their independence from the Company and other directors and there is no conflict of interest.

5. SEPARATE MEETINGS FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS

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 criteria laid down by the Committee for performance evaluation shall be disclosed in the annual report of the Company.

6. 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.

2. Individual directors (including independent directors) evaluation:

- a) His/her attendance and contribution in Board and committee meetings;
- b) His/ her stature, expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align the Company's value and standards;
- c) His/ her knowledge of finance, accounts, legal, investment, marketing, foreign exchange, hedging, internal controls, risk management, assessment and mitigation, business operations, processes and corporate governance;
- d) His/ her ability to create a performance culture that drives 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 the Board to maintain high standards of integrity and probity;
- g) Recognise the role which he/ she is expected to play and understand internal relationships to make decisions objectively and collectively in the best interest of the Company to achieve success and harmonising the Board;
- h) His/ her rational, physical and mental fitness, thinking, vision on corporate social responsibility etc.;
- i) His/ her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders;
- j) His/ her contribution to enhance overall brand image of the Company; and
- k) His/ her level of integrity, honesty, ethics and compliance with the Code.

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/ she 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.

VII. PROCESS FOR EVALUATION

The process will be initiated each year by the Chairman of the Board. At the Board's discretion, a person designated by the Board, with staff assistance, will co-ordinate the Board self-evaluation or an external consultant may be appointed to assist with this process.

The evaluation form will consist of:

(i) Overall Board / Committee Evaluation

In the Overall Board / committee evaluation, each Board / committee member will be asked to provide written inputs and which will be submitted for evaluation. Copies of the aforesaid Board evaluation forms will be distributed to each Board member before the meeting scheduled for the purpose of evaluation. Board members shall complete the forms and return them to the chairperson or Board designee or the consultant within the time communicated to them. Results will be tabulated and analyzed prior to the meeting and presented in a summary report to include composite scoring. The individually completed forms will also be preserved and presented to the Board and Committee for evaluation.

The Board will discuss areas that are working well, and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward. Staff and/or the governance consultant will work with the Board or Board designee to implement necessary changes.

(ii) Individual Director Evaluation (including independent director):

The performance evaluation of directors shall be carried out by the entire Board excluding the director being evaluated. The Committee will also independently carry out an evaluation of every director's performance. The Committee would provide feedback to the Board for its consideration.

(iii) Chairperson evaluation:

The performance evaluation of the chairperson shall be carried out by the entire Board. The Committee will also independently carry out an evaluation of the chairperson performance. The Committee would provide feedback to the Board for its consideration.

8. CONFLICT IN POLICY

In the event of any conflict between the Companies Act, 2013 or the SEBI regulations or any other statutory enactments ("**Regulations**") and the provisions of this Policy, the Regulations shall prevail over this Policy.

9. AMENDMENTS

Any subsequent amendment/modification in the Companies Act, SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

10. REVIEW OF POLICY

The Board has the power to review this Policy annually on recommendation by the Nomination and Remuneration Committee.