RAJKOT INVESTMENT TRUST LIMITED

POLICY ON BOARD EVALUATION CRITERIA

1. PREAMBLE

The Board of Directors (“Board”) of the Company recognizes the importance of a formal mechanism for evaluating its performance, the performance of its committees and individual Directors to ensure effective governance and continuous improvement.

This Policy is formulated pursuant to:

- Companies Act, 2013 and rules made thereunder;
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable;
- Applicable RBI Guidelines on Corporate Governance for NBFCs;
- Best corporate governance practices.

2. OBJECTIVE

The objectives of this Policy are:

a) To establish criteria for evaluation of the Board, Committees and Directors;

b) To improve effectiveness of the Board and its Committees;

c) To identify strengths and areas for improvement;

d) To promote accountability and transparency in governance;

e) To assess contribution of Directors towards achievement of organizational objectives.

3. APPLICABILITY

This Policy shall apply to:

- Board of Directors;
- Individual Directors;
- Chairman of the Board;
- Committees of the Board;
- Independent Directors, wherever appointed.

4. RESPONSIBILITY FOR EVALUATION

The Nomination and Remuneration Committee (“NRC”), where constituted, shall oversee the evaluation process.

In the absence of an NRC, the Board may directly undertake the evaluation process.

The Board shall review the results of the evaluation and determine appropriate actions for improvement.

5. FREQUENCY OF EVALUATION

The evaluation shall ordinarily be conducted annually.

The Board may undertake additional evaluations whenever considered necessary.

6. EVALUATION METHODOLOGY

Evaluation may be conducted through:

- Structured questionnaires;
- Self-assessment;
- Peer evaluation;
- Board discussions;
- Independent feedback mechanisms.

The evaluation process shall be objective, fair and transparent.

7. EVALUATION OF THE BOARD

The performance of the Board shall be evaluated on the basis of the following criteria:

A. Composition and Structure

- Appropriate size of the Board;
- Diversity of skills and experience;
- Balance of executive and non-executive directors;
- Adequacy of expertise relevant to the Company’s business.

B. Effectiveness of Board Processes

- Quality of agenda and Board papers;
- Timeliness of information provided;
- Quality of deliberations and discussions;
- Effectiveness of decision-making process.

C. Strategic Oversight

- Contribution to formulation of strategy;
- Monitoring of business performance;
- Oversight of financial performance;
- Monitoring of risk management framework.

D. Governance and Compliance

- Compliance with legal and regulatory requirements;
- Ethical standards and corporate governance practices;
- Oversight of internal controls and audit functions.

E. Stakeholder Protection

- Protection of shareholder interests;
- Customer-centric governance;
- Monitoring of stakeholder concerns.

8. EVALUATION OF COMMITTEES

Each Committee shall be evaluated based on:

A. Composition

- Appropriateness of membership;
- Relevant expertise of members;
- Adequacy of participation.

B. Functioning

- Frequency and effectiveness of meetings;
- Quality of recommendations;
- Timely discharge of responsibilities.

C. Compliance

- Fulfilment of statutory responsibilities;
- Adherence to Committee Charter or Terms of Reference.

D. Contribution to Governance

- Support provided to the Board;

- Quality of oversight and reporting.

9. EVALUATION OF INDIVIDUAL DIRECTORS

Each Director shall be evaluated based on:

A. Attendance and Participation

- Attendance at Board and Committee meetings;
- Active participation in discussions;
- Preparation for meetings.

B. Professional Contribution

- Subject matter expertise;
- Quality of inputs and suggestions;
- Contribution to strategic decision-making.

C. Governance and Integrity

- Adherence to ethical standards;
- Compliance with Company's Code of Conduct;
- Independence of judgment.

D. Commitment

- Understanding of Company's business;
- Commitment of time and effort;
- Responsiveness to Board matters.

E. Teamwork

- Constructive engagement with fellow Directors;
- Ability to work collectively;
- Respect for diverse viewpoints.

10. EVALUATION OF CHAIRMAN

The Chairman shall be evaluated on:

- Leadership of the Board;
- Conduct of meetings;

- Facilitation of open discussions;
- Relationship with management;
- Promotion of good governance practices;
- Strategic guidance provided to the Company.

11. EVALUATION OF INDEPENDENT DIRECTORS

Where Independent Directors are appointed, evaluation may include:

- Maintenance of independence;
- Objective judgment;
- Protection of stakeholder interests;
- Contribution to governance and compliance;
- Oversight of management performance.

The evaluation of Independent Directors shall be carried out in accordance with applicable statutory provisions.

12. CONFIDENTIALITY

The evaluation process and results shall be treated as confidential and shall be used solely for governance improvement purposes.

Access to evaluation records shall be restricted to authorized persons.

13. ACTION ON EVALUATION RESULTS

Based on evaluation findings, the Board may consider:

- Training and development initiatives;
- Succession planning measures;
- Improvement in Board processes;
- Changes in Committee composition;
- Other governance enhancement measures.

14. DOCUMENTATION

The Company shall maintain appropriate records relating to:

- Evaluation framework;
- Evaluation questionnaires;

- Results and observations;
- Improvement actions taken.

Such records shall be preserved in accordance with applicable laws and Company policies.

15. REVIEW OF POLICY

This Policy shall be reviewed periodically and at least once every year or whenever required due to changes in applicable laws, regulations or governance requirements.

16. AMENDMENTS

The Board of Directors may amend this Policy from time to time to ensure compliance with applicable laws and governance standards.

17. EFFECTIVE DATE

This Policy shall become effective from the date of approval by the Board of Directors and shall remain in force until amended or replaced.