

Manipal Health Enterprises Limited

POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

DEFINITIONS AND INTERPRETATION

1 Definitions

“**Applicable Laws**” shall mean all applicable laws, statutes, enactments, acts of central or state legislature, ordinances, rules, regulations, notifications, guidelines, directions, directives, policies, circulars, decisions and any other pronouncements issued in accordance with the Companies Act, SEBI Act, SEBI Listing Regulations or any other law applicable to the jurisdiction of India by any central, state, local, or other governmental, administrative or regulatory authority exercising executive, legislative, judicial, regulatory or administrative functions;

“**Board**” shall mean the board of directors of Manipal Health Enterprises Limited;

“**Code of Conduct**” shall mean the code of conduct for Directors as formulated by Manipal Health Enterprises Limited;

“**Companies Act**” shall mean Companies Act, 2013, and rules and regulations issued thereunder, as amended from time to time;

“**Company**” shall mean Manipal Health Enterprises Limited;

“**Director**” shall mean a director on the Board of the Company;

“**Independent Director**” shall mean an independent director as defined under section 2(47) to be read with Section 149 of the Companies Act and Regulation 16 of SEBI Listing Regulations;

“**NRC**” shall mean the Nomination and Remuneration Committee of the Board of Directors, constituted under the provisions of Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations.

“**Policy**” shall mean this Policy for the Evaluation of Performance of the Board of Directors of the Company, as amended from time to time;

“**SEBI Act**” shall mean the Securities and Exchange Board of India Act, 1992, as amended from time to time;

“**SEBI Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

2 Interpretation

Unless defined expressly herein, all capitalised terms used in this Policy shall have the meanings assigned to them under the Companies Act, SEBI Act and rules and regulations thereunder. In the event of any conflict between this Policy and Applicable Laws, the Applicable Laws shall prevail. Any amendment/modification to the Applicable Laws shall automatically apply to this Policy to the extent applicable.

BACKGROUND AND OBJECTIVES

3 Objectives

The objective of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the Board. The purpose of such evaluation framework is to *inter alia* facilitate the identification of the areas of concern, create awareness about the role of Directors individually, and collectively as a Board, and to steer the Board in the direction of achieving the Company's mission and vision. Further, the Company shall adopt best practices to manage the affairs of the Company in a seamless manner and ensure sustained long-term value creation for stakeholders by achieving good corporate governance.

The Company believes in managing its affairs in a fair and transparent manner with the goal of ensuring that the Board as a whole, its committees and individual Directors work effectively, with the highest standards of honesty, integrity, and professionalism towards advancing the strategic and commercial success of the Company.

The Company recognises the role of good governance practices in enhancing value creation for shareholders and fulfilling responsibilities towards stakeholders, and the Board is expected to adhere to such standard. Accordingly, this Policy sets out the processes and criteria for the evaluation of the performance of:

- a. The Board as a whole;
- b. The committees of the Board; and
- c. Individual Directors (including Independent Directors and the chairperson of the Company ("**Chairperson**")).

FRAMEWORK FOR PERFORMANCE EVALUATION

4 Role of the NRC

As per the provisions of the Companies Act and SEBI Listing Regulations, the NRC shall *inter alia* perform the following functions:

- a. The NRC shall formulate criteria for evaluation of performance of Independent Directors and the Board;
- b. The NRC shall specify the manner for effective evaluation of the performance of the Board, its committees and individual Directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance; and
- c. The NRC shall recommend to the Board whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of such Independent Directors.

5 Performance Evaluation of Individual Directors

Performance of individual Directors shall be evaluated by the NRC as set out in **Annexure A** to this Policy, the Nomination and Remuneration Policy of the Company, the provisions of Section 178 of the Companies Act and based on their functions as mentioned in the Code of Conduct for Board of Directors, Key Managerial Personnel and Members of Senior Management. The Board, as applicable, shall also be guided by the criteria provided under Section VI-D of the 'Master Circular for Compliance with the Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Listed Entities' dated November 11, 2024, bearing reference number SEBI/HO/CFD/PoD2/CIR/P/0155 issued by the Securities and Exchange Board of India and guidance issued by the Institute of Company Secretaries of India, including the 'Guide to Board Evaluation', as amended from time to time.

6 Performance Evaluation of Independent Directors

The performance evaluation of Independent Directors shall be carried out by the entire Board (excluding the Independent Director whose performance is under review) and shall include the performance of the Independent Director, fulfilment of the independence criteria as specified in the SEBI Listing Regulations and the Companies Act and their independence from the Board and management, as set out in **Annexure B**. On the basis of the report of performance evaluation, it shall be determined by the NRC whether to extend or continue the term of appointment of the Independent Director.

7 Performance Evaluation of the Chairperson

The performance evaluation of the Chairperson shall be carried out by the Independent Directors, in the manner as set out in **Annexure C**.

8 Performance Evaluation of the Board and NRC

The performance evaluation of the Board and the Committees of the Board shall be carried out by each of the Board/Committee members, as may be the case, in the manner as set out in **Annexure D** and **E**, respectively.

- a. In the Board and Committee performance evaluation, each Board/Committee member shall provide their evaluation inputs in the manner as set out in **Annexure D** and **E**, respectively, prior to the meeting scheduled for the purpose of evaluation.
- b. Results of the performance evaluation will be tabulated and analysed prior to the meeting scheduled for evaluation, and will be presented in a summary report to include composite scoring.
- c. The individual evaluation inputs from each of the Board/Committee member will also be preserved and presented to the Board and the Committee, respectively, during the meeting scheduled for evaluation.
- d. 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.

9. Effectiveness of the Board

Based on the ratings given to each director, the overall effectiveness of the Board shall be measured and accordingly, the Board shall decide the appointments, re-appointments and removal of the non-performing directors of the Company.

10. General

The responsibility of the performance evaluation as prescribed in this Policy lies with the chairperson of the NRC, who will be supported by the company secretary of the Company for administration and compliance of this Policy.

In accordance with the requirement under the Companies Act, read with the rules made thereunder, and the SEBI Listing Regulations, disclosures of manner of formal annual evaluation of the Directors (including the Independent Directors and the Chairperson), the Board, and the NRC, along with the performance evaluation criteria for the Independent Directors, will be made in the Report of Board of Directors/Annual Report of the Company.

10 Amendment and Review

The performance evaluation process as prescribed in this Policy, including the criteria for evaluation as set out in the annexures to this Policy, may be reviewed and amended by the Board, in consultation with the NRC, as provided under the SEBI Listing Regulations. The feedback of *inter alia* the Board members, Chairperson, and

management of the Company may be considered by the Board and/or the NRC, as the case may be, while reviewing and/or amending the Policy. Any subsequent amendment/modification in the Companies Act 2013, or the Rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard, the statutes would prevail over the Policy and shall automatically apply to this Policy.

Subject to Applicable Laws, the Board may amend, suspend or rescind this Policy at any time. Any issues pertaining to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

11. Effective Date

The Policy on evaluation of performance of Board of Directors shall come into effect from the date of conversion of the Company from Private limited to Public Limited.

ANNEXURE A: CRITERIA FOR EVALUATION OF INDIVIDUAL DIRECTORS

Name of the Director being evaluated: _____

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Evaluation Criteria	Rating
The Director attends the Board and Committee meetings and contributes to the discussion in a meaningful and helpful way, listening to others and making their points concisely.	
The Director prepares adequately for the meetings, is succinct, to the point and contributes effectively to the deliberations	
The Director understands their fiduciary duties and acts for the benefit of all members.	
The Director understands and keeps abreast with the external operating environment of the Company.	
The Director makes efforts to be educated on the aspects of the business of the Company that they do not understand.	
The Director is adequately well-versed on Company's business.	
The Director works with the other Board members as a team, striving for consensus when it is called for.	
The Director works with the other Directors in a way that creates an atmosphere of trust and cooperation.	
The Director communicates governance and ethical problems to the Chairman of the Committee/Board.	
The Director understands the Company's strategic direction and critical issues and prompts as well as contributes to the board discussion on strategic issues.	
The Director seeks opportunities for self-development and is open to feedback as well as takes action to rectify	

Signature with Date:

Name of Director: _____

ANNEXURE B: CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTORS

Name of the Director being evaluated: _____

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Evaluation Criteria	Rating
Helps in bringing an independent judgment to bear on the Board's deliberations	
Brings an objective view in the evaluation of the performance of Board and management	
Seeks appropriate clarification / information and, where necessary, takes appropriate professional advice and opinion of outside experts at the expense of the Company	
Strives to attend all meetings of the Board of Directors/Board committees of which he is a member/general Meetings	
Communicates governance and ethical problems to the Chairperson of the Board.	
Pays sufficient attention and ensure that adequate deliberations are held before approving related party transactions	
Ensures that the Company has an adequate and functional vigil mechanism	
Satisfies themselves on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible.	
Assists the Company in implementing the best corporate governance practices	
Prepares for the Board meeting by reading the materials distributed before the Board meeting.	
Regularly participates in discussions at the meetings of the Board and / or committees, as the case may be.	

Signature with Date:

Name of Director: _____

ANNEXURE C: CRITERIA FOR EVALUATION OF CHAIRPERSON

Name of the Chairperson being evaluated: _____

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Evaluation Criteria	Rating
The Chairperson of the Board guides the Board in meeting as per the Articles of Association and requirements under the Companies Act and SEBI Listing Regulations.	
The Chairperson conducts the Board meetings in a respectful and efficient manner facilitating open and productive discussion.	
The Chairperson is available accessible to Directors. He communicates and consults with Directors between Board meetings, if required.	
The Chairperson provides confidential and constructive feedback to Directors to help them enhance their contribution and effectiveness.	
The Chairperson is open to receive feedback and suggestions from Directors to enhance Board's and his/her own effectiveness.	
The Board Chairperson acts as an effective bridge between the Board and the Committee Chairpersons.	

Signature with Date:

Name of Director: _____

ANNEXURE D: CRITERIA FOR EVALUATION OF BOARD

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Evaluation Criteria	Rating
The Board knows and understands the Company’s mission and engages in long range strategic thinking and planning.	
The Board ensures that new Board members receive a prompt, thorough orientation.	
Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.	
The Board 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.	
The Board recognizes its policy-making role, and reconsiders and revises policies, as necessary.	
The Board as a whole (and Board members as individuals) evaluates its performance on an annual basis and in a meaningful way.	
The Board reviews and adopts an operating budget/business plan that is followed and monitored throughout the year.	
The Board brings discussions to a conclusion with clear direction to management for implementation and is collegial and polite during meetings.	

Signature with Date:

Name of Director: _____

ANNEXURE E: CRITERIA FOR EVALUATION OF COMMITTEES

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Evaluation Criteria	Rating
The Committee is comprised of the right number and type of members and is effective.	
The composition, terms of reference, roles and responsibilities of the Committee 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.	
The Committee meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.	

Signature with Date:

Name of Director: _____