



**Krystal Integrated Services Limited
(Previously known as Krystal Integrated Services
Private Limited)**

Board Evaluation Policy

SUMMARY OF POLICY / CODE

Policy / Code Name	Board Evaluation Policy
Related Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Issue Date	September 15, 2023
Effective Date	September 15, 2023
Review Cycle	Annually and upon regulatory change
Date of Last Review	July 31, 2025
Date of Next Review	<p>July 2026 or as and when required due to change in regulations and/or applicable laws.</p> <p>Any subsequent amendment/modification in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or applicable laws in this regard shall automatically apply to this Policy.</p>
Company	Krystal Integrated Services Limited
Recommended by	Nomination, Remuneration and Compensation Committee
Approver	Board of Directors



KRYSTAL INTERGRATED SERVICES LIMITED

Board Evaluation Policy ('Policy')

1. Introduction

Pursuant to the provisions of Section 178 of Companies Act, 2013 ('the Act'), the Nomination, Remuneration and Compensation Committee of the Company is required to 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, Remuneration and Compensation Committee or by an independent external agency and review its implementation and compliance. Further pursuant to the provisions of Section 134 of the Act, a listed company shall include a statement in its Directors' Report indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors has been made. This Policy is formulated in compliance with Section 178 of the Act read along with the applicable rules thereto and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations').

The policy is required to be formulated by the Nomination, Remuneration and Compensation Committee ("NRC") of the Company and approved by the Board of Directors.

2. Objective and Scope of the Policy

The Policy has been framed with an objective to:

- a. assess the effectiveness of the Board as a whole and various Committees and to review and improve the overall functioning of the Board.
- b. ensure individual Directors and the Board (including the Committees) as a whole, work efficiently and effectively in achieving their functions.

Individual Board members are assessed on their effective contribution and commitment to their role and responsibilities as Directors.

The Policy shall cover the evaluation of the Board, Committees (i.e. Audit Committee, Nomination, Remuneration and Compensation (NRC) Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders Relationship Committee, Risk Management Committee, Tender Committee and Finance Committees, Self-evaluation of Directors and Individual Directors.

3. Key Functions of the Board

As enumerated in the Act and the Listing Regulations, the Board should fulfill certain key functions including:

- i. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- ii. Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- iii. Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.
- iv. Aligning key executive and board remuneration with the long-term interests of the company and its shareholders.
- v. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- vi. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- vii. Ensuring the integrity of the Company's accounting and financial reporting systems, including the

independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

- viii. Overseeing the process of disclosure and communications.
- ix. Monitoring and reviewing Board Evaluation framework.

4. Board Evaluation and Performance

Board evaluation typically examines the role of the Board, the entailing responsibilities and assesses how effectively these are fulfilled by the Board. The effectiveness of the Board depends on a variety of factors, some of which are derived from the above functions of the Board.

- i. **Board Structure:** its composition, constitution and diversity and that of its Committees, competencies of the members, board and committee charters, frequency of meetings, procedures.
- ii. **Dynamics and Functioning of the Board:** annual Board calendar, information availability, interactions and communication with senior executives, Board agenda, cohesiveness and the quality of participation in Board meetings.
- iii. **Business Strategy Governance & Monitoring role:** Board's role in company strategy; Monitoring of policies, strategy and systems implementation.
- iv. **Financial Reporting Process, Internal Audit and Internal Controls:** The integrity and the robustness of the financial and other controls, regarding abusive related party transactions, Whistle Blower Mechanism and risk management.
- v. Conflict of Interest.
- vi. Supporting and Advisory Role, and
- vii. The Chairperson's Role.

The evaluation of the performance of the Board is essentially an assessment of how the Board has performed on all the above counts.

5. Evaluation Frequency

The performance of the Board as a whole, its committees and of its members shall be evaluated at least once a year keeping in view the key functions. Following are the Annexures to this Policy:

- i. Annexure 1 - Board Evaluation Form
- ii. Annexure 2 - Committee Evaluation Form
- iii. Annexure 3 - Director Self Evaluation Form
- iv. Annexure 4 - Director Evaluation Form

The questionnaire in the aforesaid Annexures may be amended / modified by the NRC. It is the responsibility of the Chairperson of NRC who shall be supported by the Head - Secretarial to organize the evaluation process and act on the outcome.

The results of the board evaluation shall remain confidential and the evaluation process will be used constructively as a mechanism to improve Board effectiveness.

6. Annual Board and Committee Evaluation Questionnaire

- i. Questionnaires for capturing various facets of the functioning of Board (enclosed as Annexure 1) and of its Committees (enclosed as Annexure 2) will be circulated among the Directors in the first week of April every year and the duly filled Evaluation form shall be submitted to the Chairperson of the NRC by 20th of April every year.
- ii. The questionnaire contains certain statements about various facets of the working of the Board



and its Committees which will be objectively evaluated by each Director. Each objective answer has been assigned a numeric value 'One'. A Director can also provide his / her comments / suggestions in the same questionnaire.

- iii. Post evaluation by every Director, numeric value assigned to each objective answer for all the statements in the questionnaire will be summed and averaged respectively.
- iv. The Annual Evaluation Report will be submitted by the Chairperson of the NRC to the Board at the Board meeting.
- v. The results of previous evaluation of the Board, if any, will be compared with the current performance of the Board, and a report indicating performance improvements and areas of improvements of the Board and its Committees will be presented by the Chairperson.
- vi. The evaluation results and the Board discussions thereon will be used along with the objective evaluation for preparation of a plan of action by the Nomination, Remuneration and Compensation Committee.

7. Director Self-Evaluation:

- i. A Director Self Evaluation Form (enclosed as Annexure 3) will be filled up by every Director. The Form contains questions examining the following facets of the Director:
 - a. Knowledge / Skills
 - b. Contribution to the Board / Committees
 - c. Communication / Relationships with Board & Senior Management
- ii. Once filled up, these forms are required to be submitted to the Chairperson of the NRC by the Directors on or before April 20, every year.
- iii. The results can be individually discussed, and feedback can be provided to the Director by the Chairperson of the NRC.

8. Annual Evaluation of Directors:

- i. Survey Form for evaluation of Directors (enclosed as Annexure 4) will be filled up by every Director evaluating each Director. The Form, inter-alia, contains questions examining the following facets of the Director:
 - a. Performance of duties and level of oversight of the Director.
 - b. Fulfillment of criteria of independence.
 - c. Professional conduct and independence
- ii. Once filled up, these forms are required to be submitted to the Chairperson of the NRC by the Directors on or before April 20, every year.
- iii. The results can be individually discussed, and feedback can be provided to the Director by the Chairperson of the NRC.

9. Amendments

The Board Evaluation Policy may be reviewed by the Board of the Company, on the recommendation of the Nomination, Remuneration and Compensation Committee.



**ANNEXURE - 1
BOARD EVALUATION FORM**

Name of Director:

A	Role of the Board	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Comments If Any
1	The Chairperson demonstrates effective leadership of the Board.						
2	Directors are willing to commit sufficient time for the Company.						
3	Board meetings create an environment for open and honest expression of views / constructive challenge and the overall dynamics is conducive to Board effectiveness.						
4	The discussion at Board meetings is of high standard and Directors contribute by asking relevant questions and offering advice.						
5	Appropriate consideration is given to interest of all the stakeholders as part of the Board's decision-making process.						

B	Board Composition	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Comments If Any
1	The Board is of the appropriate size for the Company's needs.						
2	The Board has the right mix of people with skills, experience, industry expertise, independence, and knowledge, including the appropriate balance between Independent Directors and Non-Independent Directors.						
3	The Board makes the best use of the skills, experience, and competencies of its members.						
4	The Board has sufficient input into succession planning for KMPs and Senior Executives.						
5	The Board has an adequate process in place for selecting new Directors and KMPs with the Nomination and Remuneration Committee.						
6	All Independent Directors are independent in true letter and spirit i.e. they exercise their own judgement, voice their concerns and act freely from any conflicts of interests.						

C	Board Meetings and Processes	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Comments If Any
1	The frequency and duration of Board meetings is appropriate for the Board to fulfill its objective						
2	The facility for video conferencing for conducting meetings is robust						
3	The attendance at the Board meetings is satisfactory						
4	The structure, format and content of Board agendas and documents are appropriate						
5	Board documents and updates are received in a timely fashion						
6	The Board agenda includes adequate information on various Committee's activities						
7	The Board is adequately informed on external environment affecting the Company.						
8	Board meetings are of an appropriate length and frequency to enable proper consideration of key issues.						
9	The overall atmosphere of the Board is favorable to critical reflection and debate.						
10	Informal contact outside the Boardroom is sufficient and appropriate.						
11	The Head – Secretarial & Company Secretary provides professional advice on Compliance & Governance matters.						
12	The logistics for the meeting is being handled properly - venue, format, timing, etc.						
13	Outstanding items of previous meetings are followed up and taken up in subsequent agendas.						
14	The processes are in place for ensuring that the Board is kept fully informed on all material matters between the meetings.						
15	Board discusses every issue comprehensively and the time allotted for every item (especially						

	substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject						
16	Minutes are being circulated timely; recorded and approved properly						
17	Dissenting views, if any, are recorded in the minutes						
18	Overall, the Board meeting is held in an open and objective manner where there is adequate opportunity for members to share their views						
19	The Board Members provide timely inputs on the minutes of the meeting						

D	Overall Performance of the Board	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Comments If Any
D-1	Performance & Reporting						
1	The Board sets robust annual budgets, targets and objectives, monitors performance, and ensures adequate resources are in place to meet objectives						
2	The Board spends sufficient time considering and monitoring significant capital expenditure (i.e., major projects, acquisitions, partnership or divestments)						
3	The Board spends sufficient time considering and monitoring the growth of the Company and Balance Sheet size						
4	The decision-making process of the Board is satisfactory						
5	The level and quality of the information provided to the Board in respect of major transactions is satisfactory.						
6	The Board's oversight of the implementation and delivery of major transactions is satisfactory.						
7	The Board monitors Company performance with industry comparative data.						
D - 2	Strategy and Risk Management						
1	The Company has a robust and effective system of risk management and internal control.						
2	The Board has sufficient interaction with management to develop insight into the risks facing the Company.						

3	The Company's risks are well identified and mitigation plans are in place						
4	The Board has sufficient understanding of existing and proposed strategies.						
5	The Board engages with management in the strategic planning process, including corporate goals, objectives and overall operating and financial plans to achieve them.						

D-3	External Relationships	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Comments If Any
1	Relationships and communications with all stakeholders are well managed.						
2	The Board is well informed on issues, demands, and concerns of stakeholders and the regulators.						
3	The manner in which the Board takes into consideration the expectations of the shareholders is satisfactory.						
4	The arrangements for and the conduct of Annual General Meeting and other General Meetings are satisfactory.						
5	Board regularly reviews the grievance redressal mechanism of customers & investors, details of grievances received, disposed of and those remaining unresolved						

E	Committees	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Comments If Any
1	The composition of Board committees is appropriate.						
2	The Committees' scope are clearly defined and adequate to insure good Corporate Governance.						
3	The Committees operate effectively.						

F	Director's Knowledge, Induction, and Continuing Professional Development	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Comments If Any
1	Induction for new directors is sufficient for what is required of them.						
2	The access to management and facilities is sufficient to ensure a good knowledge of the Company						
3	The Company keeps Directors sufficiently informed on developments that affect their responsibilities (ex. changes in company law).						

4	Access to necessary resources for developing and updating knowledge and capabilities of Directors is facilitated.						
G	Conflict of Interest	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Comments If Any
1	The Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions						
2	Sufficient number of non- executive members of the board of directors capable of exercising independent judgement are assigned to tasks where there is a potential for conflict of interest.						

Note : 1. Each page to be initialed and last page of Annexure to be signed.
 2. Each objective answer has been assigned a numeric value 'One'

Date :
 Signature :



**ANNEXURE – 2
COMMITTEE EVALUATION FORM**

Name of Director:

<Name of Committee in which member >		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Comments If Any
1	The Committee composition is appropriate						
2	Members of the Committee receive adequate material in advance of committee meetings, in sufficient time and detail to permit them to effectively consider issues to be dealt with.						
3	The frequency and duration of the committee meetings are adequate to ensure proper discharge of all the responsibilities.						
4	The Committee is effective in carrying out its mandate and fulfils its functions as assigned by the Board and laws as may be applicable.						
5	The mandate of the Board Committee continues to be appropriate with clearly defined roles and responsibilities.						
6	The Committee meetings are conducted in a manner that encourages open communication, meaningful resolution and timely resolution of issues.						
7	The Committee reports its activities to the Board on a regular basis and make recommendations relevant to these and other matters as the Committee deems necessary.						
8	Appropriate internal or external support and resources are available to the Committee.						
9	Adequate independence of the Committee is ensured from the Board						

Note : Each objective answer has been assigned a numeric value 'One'

Date :

Signature :

ANNEXURE – 3
DIRECTOR SELF EVALUATION FORM

Name of Director:

Sno.	PARTICULARS	RANK	REMARKS, IF ANY
1	I have full knowledge of Company strategy and objectives and can monitor performance		
2	I understand my role as Director, as distinct from management and also my key legal responsibilities		
3	Knowledge and experience of the Board have been adequately and productively used		
4	I participate fully and appropriately in collective decision making & analyze the options for action and work towards consensus		
5	I come fully prepared for Board / Committee meetings		
6	I can question / critique proposals with confidence		
7	I have participated effectively and openly in Board discussions		
8	I keep stakeholder interest as my touchstone in endorsing decisions		
9	I keep abreast with latest developments in the sector		
10	I am aware of the risk associated with the Business and containment framework of the Company		
11	I uphold ethical standards of integrity and has no litigation pending.	YES / NO	
12	I would like to receive further training in identified fields		
To be filled only by Independent Directors			
13	I as the Independent Director fulfils the criteria of independence and has provided timely declarations, to the Company as required under the law.	YES / NO	
14	I as the Independent Director adheres to all other standards of the Code for Independent	YES / NO	

Sno.	PARTICULARS	RANK	REMARKS, IF ANY
	Directors as per the Schedule IV to the Companies Act, 2013.		
17	I as the Independent Director undertakes to regularly update and refresh his skills, knowledge and familiarity with the Company.	YES / NO	
18	I as the Independent Director adheres to the applicable code of conduct.	YES / NO	
19	I as the Independent Director keeps myself well informed about the Company and external environment in which it operates.	YES / NO	
20	I as the Independent Director maintains high level of confidentiality of all the information obtained in the capacity of an Independent Director.	YES / NO	
Note : Rank on a scale of 1 - Very poor; 2 – Poor; 3 – Average; 4 – Good; and 5 - Excellent and/or provide remark			

Date :

Signature :

ANNEXURE – 4
DIRECTORS' PERFORMANCE EVALUATION FORM

Name of the Director:

Name of the Director being evaluated:

Sno.	PARTICULARS	RANK	REMARKS, IF ANY
1	The Director is independent from the Company and the other directors and there is no conflict of interest.	YES / NO	
2	The Director performs his / her duties and exercises his / her own objective judgement in the best interest of the Company and voices opinion freely.		
3	The Director has effectively assisted the Company is implementing best corporate governance practices and monitors the same.		
4	The Director helps in bringing independent judgment during board deliberations on strategy, performance, risk management etc.		
5	The Director acts within his / her authority and assists in protecting the legitimate interest of the Company, Shareholders and employees.		
Note : Rank on a scale of 1 - Very poor; 2 – Poor; 3 – Average; 4 – Good; and 5 - Excellent and/or provide remark			

Date:

Signature: