

SCHRADER DUNCAN LTD.

Policy of performance evaluation of Non Executive /independent Directors

Clause 49, Sub Clause II (B) (5) of the Listing Agreement provides that the policy of performance evaluation of Independent Director (ID) shall be formulated by the Nomination & Remuneration Committee and also that the policy be disclosed in the annual Report of the Company. Evaluation is required to be done by the Board collectively excluding the director being evaluated and the decision regarding fixation of terms of Independent Director shall be taken on the basis of such evaluation.

Accordingly policy of performance evaluation of Non executive/independent directors has been laid down follows.

Performance evaluation of Non Executive / Independent Directors

The Chairman and other Board members shall consider the following issues and the individual concerned should be asked to assess themselves.

In evaluating individuals it is necessary to ask, for each non-executive director :

How well prepared and informed are they for board meetings and is their meeting attendance satisfactory?

Do they demonstrate a willingness to devote time and effort to understand the company and its business and a readiness to participate in events outside the boardroom, such as site visits?

What has been the quality and value of their contributions at board meetings?

What has been their contribution to development of strategy and to risk management?

How successfully have they brought their knowledge and experience to bear in the consideration of strategy?

How effectively have they probed to test information and assumptions? Where necessary, how resolute are they in maintaining their own views and resisting pressure from others?

How effectively and proactively have they followed up their areas of concern?

How effective and successful are their relationships with fellow board members, the company secretary and senior management?

Does their performance and behavior engender mutual trust and respect within the board?

How actively and successfully do they refresh their knowledge and skills and are they up to date with the latest developments in areas such as corporate governance framework and financial reporting?, the industry and market conditions?

How well do they communicate with fellow board members, senior management and others, for example shareholders.

Are they able to present their views convincingly yet diplomatically and do they listen and take on board the views of others?

The evaluation should be carried out once a year.