POLICY ON PERFORMANCE OF BOARD OF DIRECTORS

(Section 149 read with Schedule IV of Companies Act, 2013)

A. INTRODUCTION

Methodhub Software Limited, ("**the Company**") conducts its operations under the directions of Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, SEBI Regulations, Memorandum and Articles of Association and Code of Conduct and policies formulated by the Company for its internal execution. The present policy for performance evaluation is being put into place in accordance with the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") on Board Evaluation. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

As required under SEBI LODR Regulations and Companies Act, 2013, the evaluation of the Board involves multiple levels:

1. Board as a whole
2. Committees of the Board
3. Individual Directors (including Managing Director, Independent Directors, Non-Independent Directors, etc.)

With an aim to maintain an energized, proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company.

B. EFFECTIVENESS OF THE BOARD

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company. For this reason, based on the fore stated criteria of evaluation the remuneration of the Directors and Key Managerial Personnel shall be determined and reviewed from time to time.

C. MANNER OF EVALUATION

Evaluation of Individual director: The Committee and the entire Board (excluding the director being evaluated) shall carry out the evaluation of performance of individual director of the Company. In addition, the Independent Directors shall hold a meeting at least once in any given year, without the presence of the non-Independent Directors of the Company, to review the performance of such non-Independent Directors.

Evaluation of the Board: The Board shall carry out its own performance evaluation. In addition, the Independent Directors in its meeting, without the presence of the non- Independent Directors of the Company, to review the performance of Board.

Evaluation of Board Committees: The Board and the Independent Directors in its meeting, without the presence of the non- Independent Directors of the Company, shall carry out the evaluation of the performance of each Board Committee based on the questionnaire and feedback form which forms part as Annexure to this Policy.

D. RESPONSIBILITY OF BOARD / INDEPENDENT DIRECTORS

It shall be the duty of the Board, who shall be supported by the Management to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

In conformity with the requirement of the Act, the performance evaluation of all the directors shall be done by the entire Board of Directors, excluding the director being evaluated.

Independent Directors are duty bound to evaluate the performance of non - Independent Directors and Board as a whole. The independent directors of the Company shall hold at least one meeting in a year to review the performance of the non- Independent Directors, performance of Managing Director of the Company and Board as a whole, taking into account the views of executive directors and non-executive directors. Independent Directors shall also assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

E. EVALUATION FACTORS

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors as such evaluation factors may vary in accordance with their respective functions and duties.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below.

Rating Scale

Performance	Rating
Satisfactory	1
Not Satisfactory	0

The Company has chosen to adopt the following Board Performance Evaluation Process:

BOARD OF DIRECTORS

Some of the specific issue and questions that should be considered in a performance evaluation of the entire Board by Independent Directors, are set out below:

Sr. no.	Particulars	Ratings	Remarks
	A. Structure of the Board:		
	1. Competency of directors: Whether Board as a whole has directors with a proper mix of competencies to conduct its affairs effectively.		
	2. Experience of directors: Whether Board as a whole has directors with enough experience to conduct its		

	affairs effectively.		
	3. Mix of qualifications: Whether Board as a whole has directors with a proper mix of qualifications to conduct its affairs effectively.		
	4. Diversity in Board under various parameters: Gender/background/ competence/experience, etc. Whether there is sufficient diversity in the Board on the aforesaid parameters.		
	5. Appointment to the Board: Whether the process of appointment to the Board of directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the Board of directors.		
	B. Meetings of the Board		
	1. Regularity of meetings: Whether meetings are being held on a regular basis		
	2. Frequency a. Whether the Board meets frequently b. Whether the frequency of such meetings is enough for the Board to undertake its duties properly		
	3. Logistics Whether the logistics for the meeting is being handled properly- venue, format, timing, etc.		
	4. Agenda a. Whether the agenda is circulated well before the meeting b. Whether the agenda has all relevant information to take decision on the matter c. Whether the agenda is up to date, regularly reviewed and involves major substantial decisions d. Whether the quality of agenda and Board papers is up to the mark (explains issues properly, not overly lengthy, etc.) e. Whether outstanding items of previous meetings are followed-up and taken up in subsequent agenda f. Whether the time allotted for the every item (especially substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject g. Whether the Board is able to finish discussion and decision on all agenda items in the meeting h. Whether adequate and timely inputs are taken from the Board members prior to setting of the Agenda for the meeting i. Whether the agenda includes adequate information on Committee’s Activities		
	5. Discussions and dissent: a. Whether the Board discusses every issue comprehensively and depending on the importance of the subject		

	b. Whether the environment of the meeting induces free-flowing discussions, healthy debate and contribution by everyone without any fear or fervour c. Whether the discussions generally add value to the decision making d. Whether the Board tends towards group think and whether critical and dissenting suggestions are welcomed e. Whether all members actively participate in the discussions f. Whether overall, the Board functions constructively as a team		
	6. Recording of minutes: a. Whether the minutes are being recorded properly clearly, completely, accurately and consistently. b. Whether the minutes are approved properly in accordance with set procedures. c. Whether the minutes are timely circulated to all the Board members d. Whether dissenting views are recorded in the minutes.		
	7. Dissemination of information: a. Whether all the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly b. Whether Board is adequately informed of material matters in between meetings		
	C. Functions of the Board		
	1. Role and responsibilities of the Board: Whether the same are clearly documented		
	2. Strategy and performance evaluation: a. Whether significant time of the Board is being devoted to management of current and potential strategic issues b. Whether various scenario planning is used to evaluate strategic risks c. Whether the Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments.		
	3. Governance and compliance a. Whether adequate time of the Board is being devoted to analyse and examine governance and compliance issues b. Whether the Board monitors the effectiveness of its governance practices and makes changes as		

	needed c. Whether the Board ensures the integrity of the entity'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 d. Whether the Board oversees the process of disclosure and communications. e. Whether the Board evaluates and analyses the compliance certificate from the auditors/ practicing company secretaries regarding compliance of conditions of corporate governance		
	4. Evaluation of Risks: a. Whether Board undertakes a review of the high risk issues impacting the organization regularly. b. In assessment of risks, whether it is ensured that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk.		
	5. Grievance redressal for Investors: Whether the Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved.		
	6. Conflict of interest: a. Whether 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 b. Whether a 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		
	7. Stakeholder value and responsibility: a. Whether the decision making process of the Board is adequate to assess creation of stakeholder value b. Whether the Board has mechanisms in place to communicate and engage with various stakeholders c. Whether the Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders. d. Whether the Board treats shareholders and stakeholders fairly where decisions of the Board of		

	directors may affect different shareholder/ stakeholder groups differently. e. Whether the Board regularly reviews the Business Responsibility Reporting / related corporate social responsibility initiatives of the entity and contribution to society, environment etc.		
	8. Corporate culture and values: Whether the Board sets a corporate culture and the values by which executives throughout a group shall behave.		
	9. Review of Board evaluation: Whether the Board monitors and reviews the Board evaluation framework.		
	10. Facilitation of Independent Directors: Whether the Board facilitates the Independent Directors to perform their role effectively as a member of the Board of directors and also a member of a committee of Board of directors and any criticism by such directors is taken constructively.		
	D. Board and management		
	1. Evaluation of performance of the management and feedback: a. Whether the Board evaluates and monitors management, especially the CEO regularly and fairly and provides constructive feedback and strategic guidance b. Whether the measures used are broad enough to monitor performance of the management c. Whether the management performance is benchmarked against industry peers d. Whether remuneration of the management is in line with its performance and with industry peers e. Whether remuneration of the Board and the management is aligned with the longer term interests of the entity and its shareholders f. Whether the Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such evaluation g. Whether the Board 'steps back' to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and key areas of the Company's focus		
	2. Independence of the management from the Board: Whether the level of independence of the management from the Board is adequate		
	3. Access of the management to the Board and Board access to the management: Whether the Board and the management are able to actively access each other and exchange		

	information		
	4. Secretarial support: Whether adequate secretarial and logistical support is available for conducting Board meetings etc.		
	5. Fund availability: Whether sufficient funds are made available to the Board for conducting its meeting effectively, seeking expert advice E.g. Legal, accounting,		
	6. Succession plan: Whether an appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board		
	E. Professional development		
	1. Whether adequate induction and professional development programmes are made available to new and old directors		
	2. Whether continuing directors training is provided to ensure that the members of Board of directors are kept up to date		

COMMITTEES OF THE BOARD

The Board has constituted the following committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. IPO Committee

For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspects as set out below:

Sr. No.	Particulars	Rating	Remarks
1.	Mandate and composition: Whether the mandate, composition and working procedures of committees of the Board of directors is clearly defined and disclosed.		
2.	Effectiveness of the Committee: Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable		
3.	Structure of the Committee and meetings: a. Whether the Committees have been structure properly and regular meetings are being held b. In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board		
4.	Independence of the Committee from the Board: Whether adequate independence of the Committee is ensured from the Board		

5.	Contribution to decisions of the Board: Whether the Committee's recommendations contribute effectively to decisions of the Board.		

INDIVIDUAL DIRECTORS (INCLUDING MANAGING DIRECTOR, INDEPENDENT DIRECTORS, NON-INDEPENDENT DIRECTORS, ETC.)

Some of the specific issues and questions that should be considered in a performance evaluation of Independent Director, in which the concerned director being evaluated shall not be included, are set out below:

Name of Director being assessed:_[•]_____ _______________

Sr. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	**General**		
	a. Qualification: Details of professional qualifications of the member b. Experience: Details of prior experience of the member, especially the experience relevant to the entity c. Knowledge and Competency: - How the person fares across different competencies as identified for effective functioning of the entity and the Board - Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates d. Fulfillment of functions: Whether the person understands and fulfills the functions to him/her as assigned by the Board and the law (E.g. Law imposes certain obligations on Independent Directors) e. Ability to function as a team: Whether the person is able to function as an effective team- member f. Initiative: Whether the person actively takes initiative with respect to various areas g. Availability and attendance: Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay. h. Commitment: Whether the person is adequately committed to the Board and the entity i. Contribution: Whether the person contributed effectively to the entity and in the Board meeting j. Integrity: Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)		
2.	**Additional criteria for Independent director**		
	a. Independence: Whether person is independent from the entity and the other directors and there if		

	no conflict of interest b. Independent views and judgement: Whether the person exercises his/ her own judgement and voices opinion freely		
3.	**Additional criteria for Managing Director**		
	a. Effectiveness of leadership and ability to steer the meetings: Whether the Managing Director displays efficient leadership, is openminded, decisive, courteous, displays professionalism, able to coordinate the discussion, etc. and is overall able to steer the meeting effectively b. Impartiality: Whether the Managing Director is impartial in conducting discussions, seeking views and dealing with dissent, etc. c. Commitment: Whether the Managing Director is sufficiently committed to the Board and its meetings. d. Ability to keep shareholder's interest in mind: Whether the Managing Director is able to keep shareholder's interest in mind discussions and decisions		

REVIEW

The performance evaluation process will be reviewed annually by the "Nomination and Remuneration Committee".

Subject to the approval of Board of Directors, the Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS

Evaluation of the executive Directors shall be carried out by entire Board except the executive Director being evaluated. The meeting for the purpose of evaluation of performance of Board members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Committee for performance evaluation on its web site for the reference and also in the annual report of the Company.

CRITERIA FOR EVALUATION OF PERFORMANCE

The Committee has laid down the criteria for evaluation of performance of executive Directors, Independent Directors, Chairman and the Board:

1. Attendance and contribution at Board and Committee meetings.

2. His / her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.

3. 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.

4. His / her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.

5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.

6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.

7. Recognize the role which he / she is expected to play, internal board relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.

8. His / her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.

9. Quality of decision making on source of raw material / procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. 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.

11. His / her contribution to enhance overall brand image of the Company.

DISCLOSURE

Company will disclose details of its Board Performance Evaluation processes in its Board's Report. The Board's report containing such statement shall indicate the manner in which formal evaluation has been made by the Board of its own performance and that of the committees of the Board and individual directors of the Company.

Approved in the meeting dated January 14, 2025