

SHINING TOOLS LIMITED
PERFORMANCE EVALUATION POLICY

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1. INTRODUCTION

The Board of Directors of **Shining Tools Limited** operates under a structured Performance Evaluation Policy designed to ensure high standards of corporate governance in alignment with **Section 178 of the Companies Act, 2013** and **SEBI Listing Regulations**. This policy establishes a formal framework for assessing the collective effectiveness of the Board, its various Committees, and the individual contributions of each Director. By evaluating performance against statutory requirements, the Articles of Association, and internal codes of conduct, the Company ensures that the Board remains dedicated to acting in good faith and making informed decisions that prioritize the long-term interests of all stakeholders.

The evaluation process, overseen by the **Nomination and Remuneration Committee**, serves as a vital system of checks and balances to ensure that Directors exercise their powers rationally and contribute meaningfully to Board deliberations. This continuous review mechanism focuses on the Board's ability to oversee top management and achieve the Company's strategic objectives through efficient and effective functioning. By laying down clear criteria for periodic assessment, the Company maintains a proactive leadership structure that is both accountable and well-equipped to navigate the complexities of the modern business and regulatory environment.

2. EVALUATION FACTORS

The Board of Directors evaluates performance using a structured framework designed to assess the collective effectiveness of the Board, its committees, and individual Directors. This process utilizes a simple three-point Rating Scale—

Scale	Performance
3	Surpasses Expectations
2	Meets Expectations
1	Below Expectations

Appraisal of each Director of the Company by the other Directors shall be based on the criteria as mentioned above.

This is to provide a clear and objective measure of contribution. By applying specific descriptors tailored to the unique functions and duties of each role, the Company ensures a comprehensive appraisal that highlights areas of strength and identifies opportunities for professional development.

This evaluation process is conducted as a peer-review exercise, where each Director is appraised by their colleagues based on predefined performance parameters. This collaborative approach ensures a robust system of checks and balances, confirming that all Board members are meeting their fiduciary duties and contributing effectively to the Company's strategic goals. By adopting this formal methodology, the Company remains committed to maintaining a high-performing, transparent, and accountable leadership structure in line with statutory requirements.

For Independent Director

The evaluation of Independent Directors is a peer-led process conducted in the absence of the director being reviewed to ensure maximum objectivity and candor. The assessment focuses on eight key pillars, including attendance, ethical adherence, and the ability to offer unbiased, independent opinions on strategic initiatives. By measuring a director's capacity to raise valid concerns, contribute to conflict resolution, and protect the interests of stakeholders and whistleblowers, the Company ensures that its board members maintain the professional skepticism and integrity essential for effective governance.

3. DISCLOSURE

The Policy will be available in the public domain i.e. on the website of the Company.

4. REVIEW

The Board will review this program and make revisions as may be required.
