

INNOTERRA LIMITED

(FORMERLY KNOWN AS MILKLANE DAIRY SERVICES PRIVATE LIMITED)

CIN: U52101MH2015PLC269084

Website: www.innoterra.in

Policy for Evaluation of Performance of the Board of Directors

Date of Original adoption / Revision	Effective date of Policy
Adoption:	23-06-2026
Revision:	

Innoterra Limited

(formerly known as 'MilkLane Dairy Services Private Limited')

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1. INTRODUCTION

The Board of Directors (the “Board”) of Innoterra Limited (formerly known as MilkLane Dairy Services Private Limited) (the “Company”) has adopted the Policy for evaluation of the performance of the Board, based on the recommendation of the Nomination and Remuneration Committee (the “Committee”), to comply with the provisions under Regulation 19 read with Part D of Schedule II and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and Section 134(3)(p) and Section 178(2) of the Companies Act, 2013 (the “Act”).

The Company’s Board is dedicated to act in good faith; exercise their judgment on an informed basis and in the best interest of the company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides that a policy is to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board as a whole shall be assessed by the Board of the Company. 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.

With an aim to maintain a 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.

2. OBJECTIVES

This Policy aims at establishing a procedure for conducting periodical evaluation of Directors performance and formulating the criteria for determining qualification, positive attribute and independence of each and every Director of the Company in order to effectively determine issues relating to remuneration of every Director, Key Managerial Personnel and other Employees of the Company.

This Policy further aims at ensuring that the Committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties. In addition, the Nomination and Remuneration Committee shall carry out the evaluation of performance of every Director, Key Managerial Personnel in accordance with the criteria laid down.

3. DEFINITIONS

- a. **“Act”** means the Companies Act, 2013, as amended from time to time and the rules made thereunder.
- b. **“Committee”** shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Act.
- c. **“Board”** means the Board of Directors of the Company and **“Director”** means a director on the Board of the Company.”
- d. **“Financial Year”** means the fiscal year starting on April 1 of one year and ending on March 31 of the succeeding year.

- e. **“Independent Director”** shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (6) of the Act.
- f. **“Listing Regulations”** means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- g. **“Policy”** shall mean this Policy for evaluation of performance of the Board of the Company.

4. RESPONSIBILITY

a) Responsibilities of the Board

It shall be the duty of the Chairman of the Board, who shall be supported by Company Secretary 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.

The Board of Directors shall undertake the following activities on an annual basis:

- i. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.
- ii. Review performance evaluation reports of various Committees along with their suggestions on improving the effectiveness of the Committees. Also, the requirement of establishing any new Committees shall be reviewed by the Board on an annual basis.
- iii. Review the various strategies of the Company and accordingly set the performance objectives for Directors.
- iv. Ensure that adequate disclosure is made with regard to performance evaluation in the Board’s Report.

While evaluating the performance of the Directors, the following parameters shall be considered:

- i. Attendance at meetings of the Board and Committees thereof;
- ii. Participation in Board Meetings or Committee thereof;
- iii. Contribution to strategic decision making and risk assessment and risk mitigation;
- iv. Support on review of financial statements, business performance;
- v. Contribution to the enhancement of brand image of the Company.

While evaluating the performance of the Chairman and Managing Director, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company.

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b) Responsibility of the Nomination & Remuneration Committee

It shall evaluate the performance of individual Directors of the Company as per its terms, its role as prescribed under Part D of Schedule II of the Listing Regulations, and the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of Section 178 of the Act.

c) Responsibility of Independent Directors

Independent Directors are duty bound to evaluate the performance of Non Independent Directors and the Board as a whole in a separate meeting of Independent Directors in accordance with Schedule IV to the Companies Act and SEBI LODR. The Independent Directors of the Company shall hold at least one meeting in a year to review the performance of Non Independent Directors, performance of the Chairman of the Company and Board as a whole, taking into account the views of Executive Directors and Non-Executive Directors.

The Independent Directors at their separate meetings shall:

- I. Review the performance of non-independent directors and the Board as a whole;
- II. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- III. 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.

Evaluation of Independent Director shall be carried on by the entire Board of Directors of the Company except the Director getting evaluated.

5. EVALUATION OF PERFORMANCE

The Committee shall carry out the evaluation of performance of every Director. The evaluation of performance of the Independent Directors shall also be carried out by the entire Board of Directors excluding the Director being evaluated. Evaluation performance should be carried out at least once in a year. The evaluation forms shall be in the manner and form as prescribed by Securities Exchange Board of India/Ministry of Corporate Affairs from time to time.

While evaluating the performance of the non-executive Directors (including Independent Director), the following parameters shall be considered:

- i. Attendance at meetings of the Board and Committees thereof;
- ii. Participation in Board Meetings or Committee thereof;
- iii. Contribution to strategic decision making;
- iv. Review of risk assessment and risk mitigation;

v. Review of financial statements, business performance; vi. Contribution to the enhancement of brand image of the Company.

While evaluating the performance of the Chairman, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company. The performance evaluation of Chairperson shall be carried out by the Independent Directors.

The Company shall provide suitable training to the Non-Executive Directors including Independent Directors. Any other need-based training shall also be provided.

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.

6. BOARD PERFORMANCE EVALUATION PROCESS

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

- a. Independent Director: 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 in the same manner as stated in form provided at **Annexure 1**
- b. Non-Independent/Executive Director: Some of the specific issues and questions that should be considered in a performance evaluation of non-Independent Director/Executive Director by Independent Directors, in which the concerned Director being evaluated in the same manner as stated in form provided at **Annexure 2**
- c. Performance of the Board as a whole: Some of the specific issues and questions that should be considered in the evaluation of the Board shall consider aspects such as setting and monitoring strategic goals, quality of decision-making, effectiveness of meetings, adequacy of skills and diversity, compliance with governance norms, risk oversight, transparency, and succession planning, as stated in form provided at **Annexure 3**.
- d. Committees of Board: The Board has constituted the following committees:
 - i. Audit Committee;
 - ii. Nomination and Remuneration Committee;
 - iii. Stakeholders Relationship Committee; and
 - iv. Such other Committee constituted by the Board from time to time.

For evaluating the performance of each Committee, the Board of Directors shall pay regards to the following aspects as set out in the annexure 4 below:

7. COMPLIANCE

The NRC shall be responsible for supervision of the Policy.

Any queries regarding this Policy shall be referred to the NRC, who is in charge of administering, enforcing and updating this Policy.

8. REVIEW AND AMENDMENT

Subject to the approval of Board of Directors, the Nomination and Remuneration Committee reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

9. DISCLOSURE

In accordance with the requirement under the Act and the Listing Regulations (as amended or re-enacted from time to time), disclosure regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors' performance will be made by the Board of Directors in the Board's Report.

Further, the Board's Report containing such statement will be made available for the review of Shareholders at the General Meeting of the Company.

ANNEXURE- 1

PERFORMANCE EVALUATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

Name of Director being assessed:

Category:

Rating Scale:

PERFORMANCE	RATINGS
Outstanding	5
Exceeds Exception	4
Meets Exception	3
Needs Improvement	2
Poor	1

Sr. No	Assessment Criteria	Rating	Remarks/ comments
1.	Director comes well prepared for the Board/ Committee meeting(s).		
2.	Director demonstrates a willingness to devote time and effort to understand the Company and its business and a readiness to participate in events outside the meeting room, such as site visits.		
3.	Attendance and participations in the meetings		
4.	Director has ability to remain focused at a governance level in Board/Committee meetings.		
5.	Director's performance and behavior promotes mutual trust and respect within the Board/Committee		
6.	Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board/Committee.		
7.	Director has maintained high standard of ethics and integrity.		
8.	Director exercises independent judgment in the best interest of Company. (Applicable for independent directors only)		
9.	Director maintains high level of confidentiality		
10.	Director adheres to the applicable code of conduct for independent directors. (Applicable for independent directors only)		

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ANNEXURE- 8

PERFORMANCE EVALUATION OF NON INDEPENDENT DIRECTOR BY EACH INDEPENDENT DIRECTOR

Name of Director being assessed:

Category:

Rating Scale:

PERFORMANCE	RATINGS
Outstanding	5
Exceeds Exception	4
Meets Exception	3
Needs Improvement	2
Poor	1

Sr. No	Assessment Criteria	Rating	Remarks/ comments
1.	Director comes well prepared for the Board/ Committee meeting(s).		
2.	Director demonstrates a willingness to devote time and effort to understand the Company and its business and a readiness to participate in events outside the meeting room, such as site visits.		
3.	Attendance and participations in the meetings		
4.	Director has ability to remain focused at a governance level in Board/Committee meetings.		
5.	Director's performance and behavior promotes mutual trust and respect within the Board/Committee		
6.	Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board/Committee.		
7.	Director has maintained high standard of ethics and integrity.		
8.	Director exercises independent judgment in the best interest of Company. (Applicable for independent directors only)		
9.	Director maintains high level of confidentiality		
10.	Director adheres to the applicable code of conduct for independent directors. (Applicable for independent directors only)		

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ANNEXURE - 3

PERFORMANCE EVALUATION OF BOARD AS A WHOLE

Rating Scale: Outstanding-5, Exceeds Expectation-4, Meets Expectation-3, Needs Improvement- 2, Poor-1.

Sr. No	Assessment Criteria	Rating	Remarks/ comments
1.	The Board has appropriate expertise and experience to meet the best interests of the company.		
2.	The board has appropriate combination of industry knowledge and diversity (gender, experience, background).		
3.	The Board has the proper number of committees as required by legislation and guidelines, with well-defined terms of reference and reporting requirements		
4.	Frequency of Board Meetings is adequate.		
5.	Appropriateness of the Induction Program given to the new board members		
6.	The amount of time spent on discussions on strategic and general issues is sufficient,		
7.	The Board has developed a strategic plan/ policies and the same would meet the future requirement of the Company.		
8.	Monitoring the implementation of the long term strategic goals.		
9.	Monitoring the company's internal controls and compliance with applicable laws and regulations.		
10.	The Board is well informed on all issues (short and long-term) being faced by the Company.		
11.	The Board adequately reviews proposed departures from the long- and short-term business plans of the Company before they take place.		
12.	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement		
13.	The Board of Directors of the Company is effective in decision making.		

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14.	Is the Board as a whole is up to date with latest developments in the regulatory environment and the market and ensures compliance with the applicable regulatory compliances?		
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ANNEXURE- 4

PERFORMANCE EVALUATION OF THE AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS' RELATIONSHIP COMMITTEE OF THE BOARD

Rating Scale: Outstanding-5, Exceeds Expectation-4, Meets Expectation-3, Needs Improvement-2,
Poor-1.

Sr. No	Assessment Criteria	Rating	Remarks/ comments
1.	The Committees are appropriately constituted.		
2.	The terms of reference for the committees are appropriate with clear defined roles and responsibilities.		
3.	Observing Committees terms of reference		
4.	The composition of the committees is in compliance with the legal requirement.		
5.	The amount of responsibility delegated by the Board to each of the committees is appropriate.		
6.	The reporting by each of the Committees to the Board is sufficient.		
7.	The performance of each of the Committees is assessed annually against the set goals of the committee.		
8.	Whether the terms of reference are adequate to serve committee's purpose.		
9.	The Committee regularly reviews its mandate and performance		
10.	Committee takes effective and proactive measures to perform its functions.		
11.	Committee gives effective suggestion recommendation and Committee meetings are conducted in a manner that encourages open communication and meaningful participation of its members.		
12.	Committee meetings have been organized properly and appropriate procedures were followed in this regard, the frequency of the Committee meetings are adequate as well.		
13.	Committee makes periodic reporting to the Board along with its suggestions and recommendations.		