

SPECIALITY RESTAURANTS LIMITED

POLICY FOR EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS

1. Preamble:

The Company conducts its operation under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly the Companies Act, 2013 (Act), the Articles of Association of the Company, Listing Agreement with the Stock Exchanges, internal code of conduct formulated by the Company for its internal execution.

The Company's Board of Directors are dedicated to act in good faith, exercise their judgement on an informed basis and in the best interest of the Company and its stakeholders. Section 178 of the Act provides that a policy is to be formulated by the Nomination and Remuneration Committee ("NRC") and recommend 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 Directors of the Company.

Further the amended Clause 49 of the Listing Agreement stipulates the NRC to lay down the criteria for performance evaluation of independent directors on the Board.

In order to comply with the above requirement this policy on performance evaluation is put into place. 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.

2. Rating evaluation:

The performance evaluation of the Non-Executive/Independent directors/Whole time/Managing Director(s) shall be done on the basis of the criteria mentioned below.

Rating Scale

Scale	Performance
1	Satisfactory
2	Good
3	Outstanding

SPECIALITY RESTAURANTS LIMITED

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3. Evaluation Process for the Board:

The Board of Directors of the Company will carry out an evaluation of its own performance on an annual basis. The Board evaluation performance is designed to -

- (i) Review the pre-determined role of the Board Collectively and individual directors in discharging duties as set by the Company from time to time.
- (ii) Annually assess how well directors are discharging their responsibilities, collectively by assessing the Board's effectiveness and individually by assessing the quality of a Directors' contribution to general discussion, business proposals and governance responsibilities.
- (iii) Annually assess the performance of directors in discharging their responsibilities.

4. Evaluation process for the Non-Executive /Independent Directors:

The performance evaluation of Non-Executive/Independent Directors shall be done based on the following criteria:-

Sr. No.	Assessment Criteria
1	Attendance and participation in the discussion at the Meetings.
2	Adherence to the Code of conduct of the Company as well as the Code for independent Directors as applicable.
3	Understanding the environment in which the company operates and contribution to strategic decision.
4	Contribution for resolving the issues at the meeting and raising valid concerns at the Board.
5	Interpersonal relations with other directors and management.
6	Objective evaluation of Board's performance, rendering independent unbiased opinion.
7	Safeguarding of confidential information.

Based on the criteria each of the independent directors has to be assessed by the other directors (including other independent directors) by giving a rating mentioned above. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).

SPECIALITY RESTAURANTS LIMITED

POLICY FOR EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS

5. Evaluation process for Whole-time/Managing Director (s):

The performance evaluation of Whole-time/Managing Directors shall be done based on the following criteria:-

Sr. No.	Assessment Criteria
1	Attendance and participation in the discussion at the Meetings.
2	Adherence to the Code of conduct and Business ethics of the Company.
3	Contribution to the growth of the Company.
4	Leadership Initiative like new ideas and planning towards the growth of the Company.
5	Team work attributes and supervising and training of staff members.
6	Initiating steps for development of new brands for its products.
7	Compliance with policies, Reporting of frauds, violation etc. and disclosing disclosure of interest.
8	Safeguarding the interest of whistle blowers under vigil mechanism and Safeguarding of confidential information.

Based on the criteria each of the Whole-time/Managing Directors has to be assessed by giving a rating mentioned above. This process of evaluation will be done by the Independent Directors only.

6. External consultants:

The Board or Committee thereof may engage independent external consultants periodically to provide strategic advices and assistance in the evaluation process.

7. Disclosure:

As required under the amended Clause 49 of Listing Agreement, the Company will disclose the criteria for performance evaluation as laid down by the Nomination and Remuneration Committee in the Annual Report. A statement indicating the manner in which the performance evaluation has been made by the Board of Directors of its own performance and that of its Committees and individual directors will be disclosed in the Directors' Report.

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POLICY FOR EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS

8. Review:

Subject to the approval of Board of Directors, the NRC reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the requirements of the Company.