

Eastman Auto & Power Limited

Policy for Evaluation of the Performance of the Board of Directors

(Approved by the Board at its meeting held on September 22, 2025)

1. PREFACE

Eastman Auto & Power Limited (the “**Company**”) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Company’s Code of Conduct for Board and Senior Management Personnel.

The honesty, integrity and sound judgement and performance of the Directors and the senior management are key criteria for success and for building a good reputation of the Company. Each Director and executive in the senior management are expected to comply with the letter and spirit of this Policy for Evaluation of the Performance of the Board of Directors (“**Policy**”). Any actual or potential violation of the Code of Conduct for Board and Senior Management Personnel and this Policy by the Directors would be a matter of serious concern for the Company.

Therefore, the Company has formulated this Policy to comply with various provisions under the Companies Act, 2013 (“**Act**”) and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and also the formal annual evaluation made by the Board of its own performance (self-appraisals) and that of its committees and individual directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Act. The Committee shall evaluate the performance of each of the director as per sub section (2) of Section 178 of the Act and based on the functions of the Independent Directors as indicated under Schedule IV (as per Section 149) annexed to the Act.

2. DEFINITIONS

- i. “**Act**” means the Companies Act, 2013, as amended from time to time and the rules made thereunder.
- ii. “**Company**” means Eastman Auto & Power Limited.
- iii. “**Committee**” shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Act.
- iv. “**Director**” or “**Board**” means the Director or the Board, in relation to the Company, and deemed to include the collective body of the Board of the Company including the Chairman of the Company.
- v. “**Independent Director**” shall mean an Independent Director as defined under Section 2 (47) to be read with Section 149 (5) of the Act.
- vi. “**Listing Regulations**” means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- vii. “**Policy**” shall mean this Policy for Evaluation of performance of Board of Directors of the Company.
- viii. “**Nomination and Remuneration Committee**” shall mean the nomination and remuneration committee of the Company constituted in compliance with the provisions of Section 178 of the Act and Regulation 19 of SEBI Listing Regulations.

All the words and expressions used and not defined in this Policy, shall have meaning respectively assigned to them under the Listing Regulations or the Companies Act or

any other applicable laws for the time being in force and rules and regulations made thereunder as amended, from time to time.

3. OBJECTIVE

The objective of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the entire Board. Further, to adopt best practices to manage the affairs of the Company in a seamless manner and ensure long-term value creation for stakeholders by achieving good corporate governance.

4. VARIOUS KINDS OF PERFORMANCE EVALUATION

A. Appraisal System

Appraisal of each Director of the Company shall be based on the criteria as stipulated by the Company from time to time. [This appraisal is mandatory and will be done under the provision of the clause (p) of sub section (3) of Section 134 of the Act.

B. Evaluation of The Performance

The Committee shall evaluate the performance of each Director as per the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of Section 178 of the Act and based on their functions as mentioned in the Code of Conduct of the Directors and Senior Management Personnel and the criteria for the evaluation of the performance as prescribed in Paragraph 6 of this Policy.

Evaluation of Independent Director shall be carried on by the entire Board which shall include-

- a) performance of the Directors; and
- b) fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management.

The Directors who are subject to evaluation shall not be allowed to participate.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criterion and sub-criteria.

C. Effectiveness of The Board

Additional guidelines for a Eastman company

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that boards have an appropriate blend of functional and industry expertise.
- On an annual basis every holding company will need to be provided a report of any changes in directors in the Board of its subsidiaries, associates and joint ventures (this should also include subsidiaries, associates and joint ventures of such subsidiaries, associates and joint ventures) in a pre- determined format.
- The Board of the parent/ holding company (supported by the Nomination and

Remuneration Committee) shall determine how the parent/ holding company will vote at the shareholder meeting for appointment of directors on the Board of material subsidiary companies.

- Based on the ratings given by the Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the appointments, re-appointments and removal of the non-performing Directors of the Company.

5. 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.

Annual Independent Directors' (ID) meeting

- The NRC Chairman would convene an Annual ID meeting to review performance of the Board as a whole. (In the same meeting the IDs will also review the performance of the non-independent Non-Executive Directors (NEDs) and Chairman)
- Report of the ID meeting is to be provided to the Chairman of the Board by the NRC Chairman.

6. 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:

- i. Attendance and contribution at Board and Committee meetings.
- ii. His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- iii. 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.
- iv. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- v. Effective decision-making ability to respond positively and constructively to implement the same to encourage more transparency.
- vi. Open channels of communication with executive management and other colleagues on Board to maintain high standards of integrity and probity.
- vii. 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.
- viii. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.

- ix. Quality of decision making on the company's business, human resources, understanding financial statements and business performance, raising of finance, working capital requirement, forex dealings, geopolitics, etc.
- x. 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.
- xi. His/her contribution to enhance overall brand image of the Company.

7. OVERALL BOARD EFFECTIVENESS DISCUSSION BY CHAIRMAN WITH BOARD

Any significant highlights/ learnings basis the consolidation of feedback may be presented to the Board by the Chairman of the Board for action planning (if any).

I. Individual Director Evaluation

i. Managing Director (MD) and Executive Directors (EDs)

MD and EDs would be evaluated on goals (quantitative and qualitative) set at the beginning of the year by the NRC.

ii. Chairman and Non-independent NEDs

The process for evaluation of the Chairman and non-independent NEDs is as follows:

- Self-assessment questionnaire filled in by the Chairman and non-independent NEDs
- Some indicative areas for evaluation of the non-independent NEDs include:
 - a) Attendance (as captured from records of meetings)
 - b) Contribution at Board meetings
 - c) Guidance/ support to management outside Board/ committee meetings
- Additionally, the Chairman may be evaluated on key aspects of the role
- Filled-in self-assessment questionnaire templates (Annexures to this policy) will be given by the Chairman and the non-independent NEDs to the NRC Chairman.
- The NRC Chairman would use these filled-in self-assessment questionnaire templates as the basis for discussion in the Annual ID meeting to review non-independent NEDs and the Chairman of the Board, (for the Chairman of the Board, the IDs would need to take into account the views, if any, of the non-independent directors provided verbally prior to the Annual ID meeting). (In the same meeting the IDs will also review the performance of the Board as a whole.
- Report of the ID meeting would be sent to the Chairman of the Board by the NRC Chairman. The report will cover the collective feedback of the IDs on

- a) Performance of the Board as a whole.
- b) Performance of the non-independent directors.
- c) Performance of the Chairman of the company.

iii. IDs

The process for evaluation of the IDs is as follows:

- Self-assessment questionnaire filled in by the IDs
- Filled-in self-assessment questionnaire templates will be given by the Chairman of the Board.
- Some indicative areas for evaluation of IDs include:
 - a) Attendance (as captured from records of meetings)
 - b) Contribution at Board meetings
 - c) Guidance/support to management outside Board/ committee meetings
- The Chairman of the Board will seek feedback from each director about their views on the Board and the directors, if any.
- The Chairman of the Board will provide feedback on individual basis, as appropriate.

II. Board Committee Evaluation

- Committees (Audit Committee, NRC, Committee of the Board and any additional committee as per the Board's discretion) may use a questionnaire-based mechanism for the purpose of evaluation on an annual basis.
- Evaluation inputs need to be sought from committee members
- Some indicative areas for evaluation of Board committees include:
 - Degree of fulfilment of key responsibilities,
 - Adequacy of Board committee composition,
 - Effectiveness of meetings,
 - Committee Dynamics,
 - Quality of relationship of the committee with Board and the management.
- The self-evaluation report in terms of the Committee Report will need to be provided to the Board. A discussion on this report with the Board may then be facilitated by the Chairman of the committee.

8. POLICY REVIEW

Subject to the approval of the Board, 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 requirements under the LODR and the Companies Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of its own performance, performance of various Board Committees and individual Directors will be made by the Board 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. The key features of this Policy will be included in the corporate governance statement contained in the annual report of the Company.

The performance evaluation criteria for IDs shall be disclosed in the corporate governance section contained in the annual report as well as on the website of the Company.

10. DRAFT OF STATEMENT TO BE INCORPORATED IN THE BOARD'S REPORT

The following paragraph will be reflected in the Director's Report annually. As of now, basis this evaluation exercise, there is no further disclosure required in the Directors' Report aside from the paragraph depicted below:

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual director, also of the Board as a whole and its Committees individually has been carried by your company as per the evaluation criteria formulated by the Nomination and Remuneration Committee and approved by the Board and based on guidelines given

in Schedule IV to the Companies Act, 2013 and the guidelines prescribed by the Securities and Exchange Board of India in its circular dated January 5, 2017.

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

11. CONFIDENTIALITY

The rating Sheets for evaluation of Individual Directors shall be kept in the custody of the Chairperson of the Company. The Company shall ensure to keep the individual director's rating sheets strictly confidential.
