



INFRASTRUCTURE LIMITED

## BOARD EVALUATION POLICY

Board Evaluation Policy

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### PREFACE:

<b>Title</b>	<b>Board Evaluation policy</b>
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### Introduction

The Board acknowledges its intention to establish and follow “best practices” in Board governance in order to fulfil its fiduciary obligation to the Company. Fundamental to sound governance is the practice of undertaking a Board evaluation on an annual basis.

### Purpose

This policy has been framed in compliance with the provisions of the Companies Act, 2013, as amended from time to time, by the Nomination and Remuneration Committee (NRC) and approved by the Board.

The purpose of the Board evaluation is to give all Board members an opportunity to evaluate and discuss the Board’s performance with candour and from multiple perspectives. The evaluation will maintained whether or not the Board is functioning well as a way to ensure continuous improvement in the way the Board conducts its business. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board’s time, and increased

effectiveness of the Board as a governing body.

In terms of the provisions of the Companies Act, 2013 the Nomination and Remuneration Committee is required to carry out evaluation of every Director's Performance. Further the Board is also required to undertake a performance evaluation of its Independent Directors on an annual basis for determining whether to extend or continue the term of appointment of the independent director. Also the Board's Report to the Members of the Company shall include a Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and Individual Directors.

#### **Process for evaluation**

The process will be initiated each year by the Chairman of the Board. At the Board's discretion, a person designated by the Board, with staff assistance, will co-ordinate the Board self-evaluation or an external consultant may be appointed to assist with this process.

The evaluation form will consist of three parts: An Independent Director evaluation (Annexure 1), an Overall Board Evaluation (Annexure 2) along with the Committee Evaluation (Annexure 2A) and Directors' Evaluation by the NRC (Annexure 3).

#### **Process for evaluation of Independent directors**

The performance evaluation of Independent directors shall be carried out by the entire Board excluding the Independent director being evaluated in the same manner as above in the form provided at Annexure 1.

#### **Process for evaluation of the Directors by the NRC**

Apart from the above, the NRC will also independently carry out an evaluation of every director's performance in the form provided at Annexure 3. The NRC would provide feedback to the Board for its consideration.

### **Process for overall board evaluation**

- In the Overall Board and Committees Evaluation, each Board / Committee member will be asked to provide written inputs and which will be submitted for evaluation in Annexure 2 and 2A.
- Copies of the above Board evaluation forms as mentioned at Annexure 1, 2 & 3 will be distributed to each Board Member approximately 2-3 weeks before the meeting scheduled for the purpose of evaluation. Board members shall complete the forms and return them to the Chairman or Board designee or the consultant within 1 (one) weeks of receipt of the forms.
- Results will be tabulated and analyzed prior to the meeting and presented in a summary report to include composite scoring.
- The individually completed forms will also be preserved and presented to the Board and NRC for evaluation.
- The Board will discuss areas that are working well, and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward. Staff and/or the governance consultant will work with the Board or Board designee to implement necessary changes.

### **Modification to the Evaluation Criteria**

The evaluation criteria for the Board, its Committees and its Directors may be changed at any time by the Board.

**ANNEXURE 1**

**PERFORMANCE EVALUATION FOR INDEPENDENT DIRECTORS TO BE EVALUATED BY THE BOARD ON BELOW PARAMETERS**

Name of the Director being evaluated: \_\_\_\_\_

Evaluation criteria	Agree	Disagree	No opinion
Helps in bringing an independent judgment to bear on the Board's deliberations			
Brings an objective view in the evaluation of the performance of board and management			
Undertakes to regularly update and refresh his skills, knowledge and familiarity with the Company			
Seeks appropriate clarification / information and, where necessary, takes appropriate professional advice and opinion of outside experts at the expense of the company			
Strives to attend all meetings of the Board of Directors / Board committees of which he is a member / general meetings			
Communicates governance and ethical problems to the Chairman of the Board.			
Pays sufficient attention and ensure that adequate deliberations are held before approving related party transactions.			
Ensures that the Company has an adequate and functional vigil mechanism.			
Satisfies himself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.			
Assists in determining appropriate policy of remuneration of executive directors, key managerial personnel and other employees.			
Refrains from any action that may lead to loss of his independence and immediately informs the Board where circumstances arise which makes him lose his independence.			
Adheres to all other standards of the Code for Independent Directors as per the Schedule IV to the Companies Act, 2013			
Assists the company in implementing the best corporate governance practices			
Prepares for the Board meeting by reading the materials distributed before the Board meeting.			

*(Please tick the appropriate column)*

Signature with date:

Name of Director: \_\_\_\_\_

**ANNEXURE 2**

**OVERALL BOARD EVALUATION**

Evaluate the following statements in relation to overall Board performance and provide a rating mechanism:

Name of the Director being evaluated: \_\_\_\_\_

EVALUATION CRITERIA - BOARD	Agree	Disagree	No Opinion
The Board knows and understands the Company's mission and engages in long-range strategic thinking and planning.			
The Board ensures that new Board members receive a prompt, thorough orientation.			
Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.			
The Board meeting agendas are well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.			
The Board recognizes its policy-making role, and reconsiders and revises policies as necessary.			
The Board as a whole (and Board members as individuals) evaluates its performance on an annual basis and in a meaningful way.			
The Board reviews and adopts an operating budget / business plan that is followed and monitored throughout the year.			
The Board brings discussions to a conclusion with clear direction to Management for implementation and is collegial and polite during meetings.			
New board members participate in an orientation program to educate them on the organization, their responsibilities, and the organization's activities.			

*(Please tick the appropriate column)*

Signature with date:

Name of Director: \_\_\_\_\_

**ANNEXURE -2A**

EVALUATION CRITERIA - COMMITTEE	Agree	Disagree	No Opinion
The Committees are comprised of the right number and type of members and are effective.			
The composition, terms of reference, roles and responsibilities of the committees are in line with the prevalent regulations and are actively adhered to by the members.			
The Committee meeting agendas are well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.			
Committee meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.			

*(Please tick the appropriate column)*

Signature with date:

Name of Director: \_\_\_\_\_

**EVALUATION OF EACH DIRECTOR BY NRC**

Name of the Director being evaluated: \_\_\_\_\_

EVALUATION CRITERIA	Agree	Disagree	No Opinion
The Director attends the Board and Committee meetings and contributes to the discussion in a meaningful and helpful way, listening to others and making his / her points concisely.			
The Director understands his / her fiduciary duties and acts for the benefit of all members			
The Director makes an effort to be educated on the aspects of the business of the Company that he / she does not understand			
The Director is adequately well-versed on Company's business.			
The Director works with the other Board members as a team, striving for consensus when it is called for.			
The Director works with the other Directors in a way that creates an atmosphere of trust and cooperation.			
The Director communicates governance and ethical problems to the Chairman of the Committee / Board.			

*(Please tick the appropriate column)*

Signature with date:

Name of Director: \_\_\_\_\_