



INFRASTRUCTURE LIMITED

BOARD EVALUATION POLICY

BOARD EVALUATION POLICY**PREFACE:**

Title	Board Evaluation policy
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Introduction

The purpose of the Board Evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony.

The Board acknowledges its intention to establish and follow “best practices” in Board governance in order to fulfil its fiduciary obligation to the Company. 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.

This policy has been framed in compliance with the provisions of Section 178 (2), 134(3)(p), Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time ("LODR Regulations"), by the Nomination and Remuneration Committee ("NRC") and approved by the Board.

Statutory/Regulatory Requirements:

Companies Act, 2013, Regulation 17(10), 19(4) and Part D of Schedule II of the LODR Regulations mandates the performance of every director of a listed Public Company to be evaluated:

- Schedule IV of the Companies Act, 2013, which prescribes the Code of Conduct for Independent Directors, provides for an evaluation mechanism for evaluating the performance of the Non-Independent Directors and the Board as a whole, and for reviewing the performance of the Chairperson of the Company taking into account the views of Executive and Non-Executive Directors, which needs to be done at a separate meeting of the Independent Directors.
- The NRC is required to carry out evaluation of every Director's Performance.
- In addition, evaluation of the Independent Directors shall be done by the entire Board excluding the director being evaluated and shall include (a) Performance of the Directors; and (b) fulfillment of the independence criteria as specified in the Companies Act, 2013 and the LODR Regulations and their independence from the Management. This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director.
- 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.

Meeting of the Independent Directors:

Atleast one meeting of the independent directors of the Company shall be held in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting.

The independent directors in the meeting shall, inter-alia:

- i. review the performance of non-independent directors (executive and whole time directors) based on the recommendations of the Nomination and Remuneration committee.
- ii. review the performance of the Board as a whole;
- iii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iv. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance Evaluation Framework for Board and Individual Directors

Considering the performance evaluation requirements, the following framework is adopted:

Mechanism and approach:

The process will be initiated each year by the Chairperson of the Board. At the Board's discretion, the Company Secretary or any other person designated by the Board, will co- ordinate the Board evaluation or an external consultant may be appointed to assist with the process. The evaluation form will consist of three parts:

- **Evaluation of Whole-time/Executive Directors:**

Process: The NRC shall define Key Performance Indicators (KPIs) for whole-time directors (WTDs). The NRC shall assess the organisational performance as well as the individual performance for WTDs on an annual basis. Based on its assessment it shall make recommendations to the Board regarding compensation for WTDs and performance bonus/variable pay.

- **Evaluation of Independent Directors and the Board.**

The Board/Director evaluation process will consist of two parts:

- Peer to Peer Evaluation; and
- Overall Board and Committee Evaluation (either internally or by an external consultant).

- **Evaluation of Chairperson of the Company.**

- In the Board Member Peer Evaluation, each Board member is encouraged to rate his/her Peer's personal contribution/performance/conduct as a director with reference to a questionnaire **(Refer Annexure I)**
- In the Overall Board and Committees' Performance Evaluation, each Board member will be asked to provide inputs on questions designed to elicit responses from the Directors. **(Refer Annexure II & III).**

- The performance of the Chairperson of the Company shall be reviewed after taking into account the views of executive and non-executive Directors on the Board with reference to a questionnaire **(Refer Annexure IV)**.

Copies of the evaluation forms as applicable will be distributed to each Board Member. Board members shall complete the forms and return them to the Chairman's Office or to the Company Secretary or the Board nominee or an External Consultant, as may be informed.

The Chairman's Office or the Board nominee or the Consultant will tabulate the results of the evaluation and the Tabulated Report would be presented at the meeting of the Independent Directors, NRC and to the Board.

The Chairman of the Board will have one to one discussion with the majority of Directors on the functioning of the Board and its Committees, attendance and level of participation at meetings of the Board/Committees, independence of judgement exercised by Independent Directors, interpersonal relationship etc.

The individually completed forms will also be preserved and presented to the Board and NRC for evaluation.

Board and NRC Discussion:

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. Staff and/or the governance consultant will work with the Board or Board nominee to implement necessary changes.

Apart from the above, the NRC will carry out an evaluation of every Director's performance. For this purpose, the NRC would review the Tabulated Report. The NRC would provide feedback to the Board on its evaluation of every director's performance and based on such feedback, the Board will recommend appointments, re-appointments and removal of the non-performing Directors of the Company.

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

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Annexure I

BOARD OF DIRECTORS													
PEER TO PEER EVALUATION QUESTIONNAIRE													
This questionnaire has been designed for Director evaluation. Evaluate on a 5 point scale as given below:													Annexure I
Strongly Disagree 1		Disagree 2		Neither Agree nor Disagree 3				Agree 4		Strongly Agree 5			
Sr. No.	Parameters	Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Director 8	Director 9	Director 10	Director 11	Director 12
1	Director comes well prepared and informed for the Board / committee meeting(s).												
2	Director's contributions at Board / Committee meetings are of high quality and innovative.												
3	Director proactively contributes to the development of strategy and to risk management of the Company.												
4	Director is effective and successful in managing relationships with fellow Board members and senior management.												
5	Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee.												
6	Director actively and successfully refreshes his/ her knowledge and skills and up to date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions.												

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Sr. No.	Parameters	Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Director 8	Director 9	Director 10	Director 11	Director 12
7	Director is able to present his/ her views convincingly yet diplomatically.												
8	Director listens and takes on Board the views of other members of Board.												
9	Director exercises objective independent judgment in the best interest of Company.												
10	Director has effectively assisted the Company in implementing best corporate governance practice.												
11	Director adheres to the applicable code of conduct for Independent Directors.												

Name of the Director :

DIN No.:

Signature : _____


Date:

Board Evaluation

Annexure II**Board Evaluation**

The following questions constitute a diagnostic to help the Board identify specific areas of improvement. The goal is to improve and move to the next level. The numerical scores in diagnostics don't lead to a "rating" of the Board's effectiveness. Rather the pattern of the responses will reveal the areas the Board would wish to address. This diagnostic will be used in the spirit of constructive criticism and will be followed by a discussion with each respondent.


The respondents should avoid choosing a "3", the instrument is useful when respondents take a position.

Sr.	Questions	Rating Scale (Please tick the cell for the respective rating)				
		1	2	3	4	5
		Low				High
(1)	Information Architecture					
(1) (a)	The Board meeting Agendas are well balanced giving sufficient time given for discussion in the Board room? Or is the agenda scripted to the second with no time left for dialogue?					
(1) (b)	The Board engages in long-term strategic thinking and planning and each director is clear on the Strategy going forward.					
(1) (c)	The Board has achieved what it set out to accomplish during the past year.					
2	Board Dynamics					
(2)(a)	Does the Board consistently bring dialogue on critical topics to a clear closure, with consensus? Or is dialogue fragmented?					
(2)(b)	Do directors freely speak their minds on key points during Board Meetings?					

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Sr.	Questions	Rating Scale (Please tick the cell for the respective rating)				
		1	2	3	4	5
		Low				High
(2)(c)	Do directors respond to each other and to respective senior management during Board meetings, particularly when they don't agree with each other? Or do directors engage in dialogue solely addressing the Chairman?					
(2)(d)	Does the Board feel that the company is getting a return on the time the Board is spending on the affairs of the Company? Or does the Board feel their time is not very productive?					
3	Focus on Substantive Issues					
(3)(a)	Is there a healthy balance between giving inputs to create and critiquing of company's strategy by the Board?					
(3)(b)	How familiar are the Board members with the leadership gene pool and efforts to develop up-and-coming managers?					
(3)(c)	Is the Board process in place for evaluating the CEO and potential successors?					
(3)(d)	Is the Company's risk appetite well defined for the future?					
4	How would you rate the Management in Future Ready the Organisation					
(4)(a)	Is the portfolio mix/ category future ready?					
(4)(b)	Depth of Talent					

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Sr.	Questions	Rating Scale (Please tick the cell for the respective rating)				
		1	2	3	4	5
		Low				High
(4)(c)	Capability Building in respect to the following Areas of Transformation					
(c)(i)	Innovation					
(c)(ii)	Talent Value Proposition & Culture					
(c)(iii)	Information Technology, Digital & Analytics					
(4)(d)	Ability to handle disruptions in VUCA world (e.g. Competition, External Macro- Risks, New Trends like Digital etc.)					
(4)(e)	Capability to execute the Long Term Strategy					
(4)(f)	Risk Taking Ability					
5	Overall					
(5)(a)	How would you rate the Board in:					
(5)(b)	Managing for today?					
(5)(c)	Future readying the Company?					

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Sr.	Questions	Rating Scale (Please tick the cell for the respective rating)				
		1	2	3	4	5
		Low				High
	Qualitative Open-Ended Questions					
6	Any aspect of Board functioning that you feel needs to be introduced or strengthened in future readying the corporation?					
7	Any other comments or perspectives that you would like to share?					
Thank You						

Name of the Director :

DIN No.:

Signature : _____

Date:

Annexure III

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Committees Evaluation

The following questions constitute a diagnostic to help the Board Committees identify specific areas of improvement. The goal is to improve and move to the next level. The numerical scores in diagnostics don't lead to a "rating" of the Committee's effectiveness. Rather the pattern of the responses will reveal the areas the Committee would wish to address. This diagnostic will be used in the spirit of constructive criticism and will be followed by a discussion with each respondent.

Sr.	Questions	Rating Scale (Please tick the cell for the respective rating)				
		1	2	3	4	5
		<div> <div>Definitely not Low</div> <div>Definitely yes High</div> </div>				
	Audit Committee Performance					
1	Is this committee effective, focusing on pertinent topics and allocating reasonable time?					
2	Is the output of the committee supporting the full board?					
3	Is the committee's composition appropriate?					
4	How will you rate the performance of Audit Committee?					
Qualitative Feedback for the Audit Committee :						

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Sr .	Questions	Rating Scale (Please tick the cell for the respective rating)				
		1	2	3	4	5
		<div>Definitely not Low</div> <div>Definitely yes High</div>				
Stakeholders' Relationship Committee						
1	Is this committee effective, focusing on pertinent topics and allocating reasonable time?					
2	Is the output of the committee supporting the full board?					
3	Is the committee's composition appropriate?					
4	How will you rate the performance of Stakeholders Relationship Committee?					
Qualitative Feedback for the Stakeholders' Relationship Committee						
Nomination & Remuneration Committee Performance						
1	Is this committee effective, focusing on pertinent topics and allocating reasonable time?					
2	Is the output of the committee supporting the full board?					

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3	Is the committee's composition appropriate?					
4	How will you rate the performance of Nomination & Remuneration Committee?					
Qualitative Feedback for the NRC:						
Sr	Questions	Rating Scale (Please tick the cell for the respective rating)				
		1	2	3	4	5
		<div>Definitely not Low</div> <div>Definitely yes High</div>				
	Other Important Committees (CSR, Finance, Risk)					
1	Are these committees effective, focusing on pertinent topics and allocating reasonable time?					
2	Is the output of the committees supporting the full board?					
3	Is the committee's composition appropriate?					
4	How will you rate the performance of these Committees?					
Qualitative Feedback for the other important Committees:						

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Name of the Director :

DIN No.:

Signature : _____

Date:

Annexure IV

EVALUATION OF THE PERFORMANCE OF THE CHAIRPERSON OF THE BOARD				
This questionnaire has been designed for the evaluation of the performance of the Chairperson of the Board. Every question would need to be evaluated on a 5-point scale as given below.				
Strongly disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree
1	2	3	4	5
Sr.	Parameters			Rating Scale
1	Adherence to the Charter:			
	Whether the Chairperson ensures that the agenda of the meetings is designed, keeping in view the Board Charter			
2	Meeting Conduct			
	Whether the Chairperson a. encourages open and transparent dialogue during the meeting b. helps bring divergent views on the agenda being discussed and ensures closure			

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3	Allocation of Time	
	Whether the Chairperson allocates sufficient time and share of mind to deliver the objectives set forth before the Committee	
4	Board Diversity	
	Whether the Chairperson ensures that the Board composition remains current, in the context of the environment and company's business and growth priorities	

Name of the Director :

DIN No.:

Signature : _____

Date:

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