

**POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS OF SATNAM GLOBAL INFRAPROJECTS LIMITED (SGIL)**

**EFFECTIVE FROM:**

**1. INTRODUCTION**

As one of the most important functions of the Board of Directors is to oversee the functioning of company's top management, 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.

**2. OBJECTIVE**

This Policy aims to:

- a) Ensure compliance of the applicable provisions of the Companies Act, 2013 (the Act) (as amended or re-enacted from time to time) relating to the evaluation of performance of the Directors and the Board.
- b) Adopt best practices to manage the affairs of the Company in seamless manner.
- c) Achieve good corporate governance as well as sustained long-term value creation for stakeholders.

**3. RESPONSIBILITY**

**A. Responsibility of the Board**

It shall be the duty of the chairperson of the board, who shall be supported by a Company Secretary to organise 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 maximise their strength and to tackle their shortcomings.

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

— 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.

— Review performance evaluation reports of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirement of establishing any new committees shall be reviewed by the Board on an annual basis.

— Review the various strategies of the company and accordingly set the performance objectives for directors.

— Ensure that adequate disclosure is made with regard to performance evaluation in the Board's Report.

### **B. Responsibility of the Nomination & Remuneration Committee**

It shall evaluate the performance of individual Directors of the Company as per its terms of and the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013.

### **C. Responsibility of Independent Directors**

Independent Directors are duty bound to evaluate the performance of non-independent directors and Board as a whole. 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 chairperson 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:

- a) Review the performance of non-independent directors and the Board as a whole;
- b) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- c) 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.

## **4. EVALUATION**

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

- a) The Nomination and Remuneration Committee (NRC) shall carry out the evaluation of performance of every Director. The evaluation of performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated. Evaluation performance should be carried out atleast once in a year.

- b)** While evaluating the performance of the Non Executive Directors (NEDs), 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.
- c)** While evaluating the performance of the Managing Director and the Wholetime 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.
- d)** Evaluation of performance shall be carried out at least once a year.
- e)** The Company shall provide suitable technical or business related training to the Non-Executive Directors including Independent Directors. Any other need based training shall also be provided.

The evaluation of the Directors and the Board shall be carried out based on the questionnaire and feedback form which forms part as **Annexure** to this Policy.

## **5. POLICY REVIEW**

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.

## **6. DISCLOSURE**

In accordance with the requirement under the Act, 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. The Policy has been made available on Company’s official website and the key features of this Policy have also been included in the corporate governance statement contained in the annual report of the Company.

**Annexure to the Performance Evaluation Policy**

**SGIL Limited - Board Evaluation**

SGIL Limited believes in value for its shareholders through ethical processes & integrity. The board plays a very important role in ensuring that the company performance is monitored and timely inputs are given to enhance its performance and set the right direction for profitable growth fully complying with relevant regulation requirements. As a board member request you to rate your experience on the following (1 being lowest and 5 being highest) –

<b>Board Responsibility</b>	<b>Question</b>	<b>Rating</b>	<b>Remarks</b>
Strategy	Board effectively provides strategic direction to the company.		
Performance Management	Board provides effective direction on key decisions impacting the performance of the company		
	Board effectively reviews the financial performance of the company and suggests corrective actions		
Execution, Investments and M&A	Board advises on business investments and M&A's to benefit company growth and profitability.		
Organization Health and Talent Management	The Board effectively mentors the senior members of the company besides monitoring the succession plans of senior leaders.		
	Board ensures that the company values are adequately reflected in the way the company is run.		
Risk Management	Board effectively reviews the risk management framework in the company and provides appropriate direction for corrective actions where necessary		

Core Governance & Compliance	Board strives towards adapting best practices in governance while also fully complying with the laws of land.		
Support to the Board	The process for setting the board agenda is transparent, realistic to the current needs and meeting material is shared well in time.		
	The frequency and duration of the board meetings are adequate to ensure a proper discharge of all the responsibilities.		
Overall	Overall board meeting is held in open and objective manner where there is adequate opportunity for members to share their views.		

Overall Feedback to improve the effectiveness of Board:

**SGIL Limited – Board Member Feedback**

SGIL Limited (the Company) believes in value for its shareholders through ethical processes & integrity. The board plays a very important role in ensuring that the company performance is monitored and timely inputs are given to enhance its performance and set the right direction for growth. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

Feedback Recipient’s Name: \_\_\_\_\_

Kindly rate the recipient on the scale of 1 to 5 (1 being least effective and 5 being highly effective) –

Sr. no.	Question	Rating	Remarks
1	Participation and attendance in Board and Committee meetings actively and consistently		
2	Prepares adequately for Board and Committee meetings		
3	Contributes to strategy and other areas impacting Company’s Performance		
4	Brings his/her experience and credibility to bear on the critical areas of performance of the organization		
5	Keeps updated knowledge of his/her areas of expertise and other important areas		
6	Communicates in open and constructive manner		
7	Gives fair chance to other members to contribute, participate actively in discussions and is consensus oriented		
8	Helps to create brand image of the Company and helps the Company wherever possible to resolve issues, if any		
9	Actively contributes towards positive growth of the Company		
10	Conduct himself / herself in a manner that is ethical and consistent with the laws of the land		

Overall Feedback to improve effectiveness further: