

# **BOARD EVALUATION FRAMEWORK-ANKA INDIA LIMITED**



## **BOARD EVALUATION FRAMEWORK**

**OF**

**ANKA INDIA LIMITED**

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## **Preface**

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Current dynamics of Domestic and International business requires that the officers' in-charge of day to day business of the Company are well qualified, well trained & equipped, constantly evaluated so as to keep pace with the challenges of ever changing socio economic scenario.

Such officers' in the parlance of an incorporated entity are the Board of Directors'.

The Board of Directors' of any diversified company shoulders not only the responsibility of growth and profitability of the business but also the impact of the business of the Company on the society and economy under which they operate.

In light of the above, the Company has devised this policy of Board Evaluation framework, which inter alia includes the policy of Board's diversity, Board's Training and Evaluation of performance, of the Board of Directors including Independent Directors.

## **Objective**

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The new Companies Act, 2013 and the revised Corporate Governance norms issued by SEBI require every listed company to establish a Board Diversity Policy to ensure that there is wide-ranging experience and diversity on the Board. While following the spirit of diversity, the Company maintains that the appointments to the Board should be based on merit as well as complementing and expanding the skills, knowledge and experience of the Board as a collective body.

## **Board's Training Policy**

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The Company recognises that the present complex business environment requires that the Board of the Company is trained from time to time to equip it with the latest trends in the domestic and International market relating to technology, best practices of corporate goervanence, environmental protection, Taxation, legal and financial Laws, HR policies, Marketing, Risk assessment and minimization.

Through the training policy the Company intends to achieve the following targets:

Development of understanding in which the Board operate and the associated responsibilities;

- Providing an overview of the knowledge and competences expected from Directors in today's environment;

- Develop skills that contribute to the creation of an effective Board culture and performance;

- Hone the ability to challenge executives through positive exchanges focused on the key issues that underpin corporate performance.

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The Company would from time to time organise seminars, classroom sessions and workshops to achieve the purpose of its Training Policy and at the same ensuring the compliance of relevant Laws include Clause 49.

## **Board's Evaluation Policy**

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As per the provisions of Clause 49, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of Clause 49, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors).

The following process is established to carry out the evaluation of the Board of Directors:-

1. Independent Directors may, at their meeting, review the performance of the Chairman, the Non-Independent Directors and the Board;
2. Nomination and Remuneration Committee may, at its meeting, carry out the evaluation of every Director's performance. The Committee, while doing so, may also consider the outcome of review by Independent Directors;
3. The Board may evaluate the performance of the Board, the Committees as defined in this Policy and each Director and while doing so, may also consider the inputs received from the Nomination and Remuneration Committee and the review by Independent Directors.

Some of the assessment criteria, that should be considered by the Board, Nomination and Remuneration Committee and Independent Directors for evaluation of the performance, are as follow –

### **I. Assessment Criteria for performance evaluation of Board**

- Size, structure, diversity, experience, skills and expertise of the Board
  - Willingness to spend time to discuss the matters put up before the Board for discussion
  - Development of Strategy and Business plans at appropriate time and check its effectiveness
  - Proper number of committees as required by legislation and guidelines
  - Guidance to drive financial and business performance of the Company and periodic review of the same
  - Strategic and business risk evaluation, assessment and timely action
  - Corporate Governance standards adopted by the Board and its implementation
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- Understanding roles and responsibilities of Directors
- Code of conduct and Ethics and adherence thereto
- Independence of Board functioning

## II. Assessment Criteria for performance evaluation of Committees

In addition to the principles stated above for evaluation of Board to the extent applicable to the respective committee, the following criteria may also be kept in mind for evaluation of committee –

- Appropriateness of the responsibilities delegated to the committee
- Corporate Governance standards adopted and implemented by the Committee
- Implementation of the policies and procedure according to changing business practices and market conditions
- Adequacy of terms of reference stated by the Board for the Committee and the role played by the committee according to such terms of reference
- Effectiveness of suggestions and recommendation made to the Board

## III. Assessment Criteria for performance evaluation of Non-Independent Director

Evaluation of Non-Executive Directors

- Participation at the Board/Committee meetings and willingness to spend time during the meeting
- Integrity and maintaining of confidentiality
- Knowledge and expertise
- Independent judgment in relation to decision making
- Understanding about roles, responsibilities and disqualification as a director

Evaluation of Executive Directors

In addition to the parameter decided for Non-Executive Directors, evaluation of Executive Directors should also be based on following parameters –

- Skill, expertise, experience, knowledge about the operations and products of the Company
  - Development and management of business plan, operational plans and financial affairs of the Company
  - Achievement of financial/business targets prescribed by the Board
  - Managing relationship with the Board, management team, bankers and other stakeholders
  - Establishment of an effective organization structure to ensure management focus on key functions necessary for the growth of the Company
  - Development of policies and strategies aligned with industrial practice, need of shareholders, customers, employees and other stakeholders
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- Ensuring to provide information on item requiring Board decisions with recommendation based on supporting documents and thorough study.

## **IV. Assessment Criteria for performance evaluation of Independent Director**

In addition to the criteria laid down for Non-Executive Directors, for performance evaluation of an Independent Director, other criteria like objective evaluation of Board's performance, unbiased opinion on various matters, compliance of Code of Conduct and Ethics, Code for Independent Directors, Insider Trading Code etc. may also be considered.\

## **V. Assessment Criteria for performance evaluation of Chairman**

In addition to the above, the following criteria may be kept in mind while evaluating the performance of the Chairman:

- Relationship and Communication within the Board
- Leadership quality Promoting constructive debate and discussion in the meeting
- Effectiveness of communication with the shareholders and other stakeholders
- Promoting effective participation of all Board members in decision making process
- Promoting shareholders confidence in the Board
- Ensuring ease of raising issue and concern by the Board Members

## **Separate Meeting of the Independent Directors**

As required by the provisions of Schedule IV to the Act and the provisions of Clause 49, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.

The meeting shall:

- review the performance of Non-independent Directors and the Board as a whole;
  - review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors;
  - 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.
  - This meeting could be held prior or after the Board Meeting. The Independent Directors are free to call such meeting at any point of time, as desired.
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## **Familiarization program for Independent Directors**

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As required by the provisions of Schedule IV to the Act and the provisions of Clause 49, the Company is required to develop a Familiarization Program for the Independent Directors of the Company.

The Company will impart Familiarization Programmes for new Independent Directors inducted on the Board of the Company. The Familiarization Programme of the Company will provide information relating to the Company, The programme also intends to improve awareness of the Independent Directors on their roles, rights, and responsibilities towards the Company. Further, the Familiarization Programme should also provide information relating to the financial performance of the Company and budget and control process of the Company.

## **Amendment**

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The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is communicated in the manner described as above.

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