



**SHREM INFRA INVESTMENT MANAGER PRIVATE LIMITED**

**POLICY FOR EVALUATION OF THE PERFORMANCE OF THE  
BOARD OF DIRECTORS OF INVESTMENT MANAGER**

Note: This Policy supersedes all the previous versions of Policy and/or any communication on this subject.

# **POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS OF INVESTMENT MANAGER**

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## **A. PREAMBLE**

Regulation 26G of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder (the “**SEBI InvIT Regulations**”), read with Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”), is mutatis mutandis applicable to the board of directors (the “**Board**”) of Shrem Infra Investment Manager Private Limited (the “**Investment Manager**”), being the investment manager of the Shrem InvIT (the “**InvIT**” or “**Trust**”).

Additionally, Section 134(3)(p) of the Companies Act, 2013, as amended (the “**Companies Act**”), requires the Board to include in its report a statement indicating the manner in which formal annual evaluation of the performance of the Board, its committees and individual Directors has been made. Regulation 17(10) of the SEBI Listing Regulations (as applied via Regulation 26G of the SEBI InvIT Regulations), read with Part D of Schedule II of the SEBI Listing Regulations, further prescribes the manner and criteria for such evaluation, including a separate meeting of independent Directors.

In furtherance of the above and in order to adopt best governance practices, the Investment Manager has formulated this Policy for Evaluation of the Performance of the Board of Directors of the Investment Manager (the “**Policy**”) in consonance with the Investment Manager’s Code of Conduct for the Board of Directors and Senior Management Personnel.

All capitalized terms used herein and not defined shall bear the meanings assigned to them under the SEBI InvIT Regulations, and in the absence of a definition therein, as per the SEBI Listing Regulations or the Companies Act, as the case may be.

## **B. OBJECTIVE**

The objective of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the Board as a whole, Committees of the Board, individual Directors including the Chairperson, the Independent Directors and the Non-Independent Directors. Further, to adopt best practices to manage the affairs of the Trust in a seamless manner and ensure long term value creation for unitholders of the Trust (“**Unitholders**”) by achieving good corporate governance.

## **C. EVALUATION OF PERFORMANCE**

To evaluate the performance of the Board as a whole, Committees, individual Directors including the Chairperson, the Independent Directors and the Non-Independent Directors, the Nomination and Remuneration Committee (“**NRC**”), shall formulate the criteria for, and oversee the process of evaluation in accordance with the Nomination and Remuneration Policy of the Investment Manager, the Code of Conduct for the Board of Directors and Senior Management Personnel and as specified in this Policy.

## **D. CRITERIA FOR EVALUATION**

The criteria for evaluation shall include, without limitation, the following: ..

<b>Sr. No.</b>	<b>Category Evaluation</b>	<b>Criteria</b>
<b>1</b>	<b>Board of Directors</b>	Structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-

		making, Board practices and overall effectiveness of Board providing necessary advice and suggestions to the Management.
2	<b>Board Committees</b>	Committee composition, effectiveness of committee in terms of well-defined charters / terms of reference & powers and information flow with the Board in terms of reporting and due consideration of Committees' decisions, findings, and recommendations at the Board level.
3	<b>Individual Directors</b>	Meeting attendance, time devotion and contribution, engagement with colleagues on the Board, preparedness for meetings, quality of discussion, entrepreneurial leadership, ability to express disagreement & divergent views and independent judgement, knowledge, skills, competence etc).
4	<b>Independent Directors</b>	Additional criteria including: <ul style="list-style-type: none"> <li>• Devotion of sufficient time and attention towards professional obligations for independent decision making and for acting in the best interests of the Company.</li> <li>• Providing strategic guidance to the Company and help determine important policies with a view to ensure long term viability and strength.</li> <li>• Bringing external expertise and independent judgement that contributes objectivity in the Board's deliberations, particularly on issues of strategy, performance and conflict management.</li> </ul>
5	<b>Chairperson</b>	Additional criteria including: <ul style="list-style-type: none"> <li>• Effectiveness of leadership and ability to steer Board and Committee meetings; and</li> <li>• Impartiality;</li> </ul>

#### **E. METHOD OF EVALUATION**

The Board shall conduct, on an annual basis after the close of each financial year, an internal evaluation of the Board as a whole, each Committee, and the performance of each individual Director including the Chairperson, independent Directors and non-independent Directors, based on the parameters as may be determined by the NRC.

The internal evaluation to be conducted in the following manner:

- a) A detailed Questionnaire to be circulated to individual directors and Committee members;
- b) If deemed fit, the questionnaire may enable written answers to be submitted on a confidential basis. If due to various reasons, Committee/Board members are not willing to provide written inputs, the Chairperson or any other person may take initiative and obtain views of such Committee/Board members on a confidential basis to the Chairperson of NRC.

#### **F. PROCEDURE TO RATE THE PERFORMANCE**

Evaluation shall be based on responses to the questionnaire using the following rating scale:

1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

The NRC may, from time to time, revise or supplement the rating scale or evaluation parameters to reflect best

practices or changes in applicable law.

#### **G. EVALUATION PROCESS INCLUDING ANALYSIS OF RESULTS**

- a) Questionnaires shall be sent individually to all Directors, who shall evaluate the performance of all other Directors, the Board as a whole, independent Directors, the Chairperson and each Committee, and assign appropriate scores in accordance with the prescribed rating scale.
- b) The independent Directors shall, in their separate meeting held in accordance with Regulation 25(3) of the SEBI Listing Regulations, review the performance of non-independent Directors, the Board as a whole, and the Chairperson.
- c) The aggregate scores obtained by the Directors and the observations arising from the evaluation process shall be compiled and placed before the NRC or the Board at its next meeting following completion of the evaluation process.

#### **H. EFFECTIVENESS OF THE BOARD**

Based on the overall ratings and analysis of evaluation results, , the Board shall assess the overall effectiveness of its functioning. On the basis of such assessment, the Board shall consider and decide, as appropriate, the appointments, re-appointments and removal of the non- performing Directors of the Investment Manager, including actions required to address performance gaps of individual Directors.

#### **I. REVIEW OF IMPLEMENTATION OF THE POLICY**

The NRC shall review the implementation and compliance of this Policy on an annual basis and shall report its findings to the Board. Any recommendations for amendment of this Policy shall be placed before the Board by the NRC.

#### **J. CONFLICT WITH APPLICABLE LAW**

This Policy shall not contradict the provisions of any applicable law, including the SEBI InvIT Regulations, the SEBI Listing Regulations and the Companies Act. In case of any discrepancy or inconsistency between this Policy and applicable law, the provisions of the applicable law shall prevail over the provisions of this Policy.

#### **K. AMENDMENTS**

Any amendment or variation to this policy shall be undertaken by the Board of Directors of Investment Manager, periodically, based on the recommendation of the NRC. The amendment shall be in compliance with SEBI InvIT Regulations, the SEBI Listing Regulations, the Companies Act and other applicable laws and regulations for the time being in force.

Notwithstanding the above, this Policy shall stand amended to the extent of any change in applicable law, including any amendment to the SEBI InvIT Regulations, the SEBI Listing Regulations or the Companies Act, without any formal action being required on the part of the Investment Manager.

#### **L. DISCLOSURE**

The Investment Manager shall disclose this policy on the website of the Trust and shall also include it in the annual report of the Trust and the Investment Manager.

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