

**SATHAVAHANA ISPAT LIMITED, HYDERABAD, INDIA**

**Board's performance evaluation**

Independent Directors have met on 27<sup>th</sup> March 2018 to carry out performance appraisal of the Independent Directors where the role and responsibilities of Independent Directors in terms of various provisions of Companies Act 2013 and Regulation 25(3) & (4) of SEBI (Listing Obligations And Disclosure Requirements ) Regulations 2015 were discussed. As a part of Independent Directors' training Shri D. Hanumanta Raju of D. Hanumanta Raju & Co., Practicing Company Secretaries, Hyderabad gave a brief on the role and responsibilities of the Independent Directors. Later the Whole time Directors joined for carrying out the evaluation of Board/Board committees/individual directors. Where performance of individual director was evaluated, the director concerned stayed away from the process. Before attempting at evaluation process the Board recognized its fiduciary role, its role in planning and formulating long term strategies, goals and policies and its duties to the company and stakeholders.

The performance evaluation of the Board was carried out with reference to its understanding of Company's mission; governing principles; long term vision, strategies, policies; industry and product profile; company's role and responsibility as a corporate citizen. Board's performance evaluation was also done among others with reference to its ability and capability to guide the company on long term policies, long range strategic thinking and planning. Evaluation performance also touched upon parameters like Board's ability to stay abreast of issues and trends; open communication, meaningful participation and sound resolution of issues and policy related decisions. From the point of view of meetings conducted, the evaluation performance was reviewed with reference to whether meeting facilitates focus & progress on important company matters, reconsider and revises policies as and when required; whether new members received prompt and thorough orientation; whether reports on performance, finances, targets are presented timely; whether agendas are well balanced allowing appropriate time for critical issues; whether meetings are held for sufficient length, Whether agendas are timely, accurate, contains useful and sufficient information so as to facilitate rightful decision making; whether the functioning of Board is collegial, polite during meetings, respects majority view on issues; communicates its directions, delegations in one voice and whether the meetings are held on regular basis and in compliance with regulatory requirements. With reference to performance evaluation of various Board Committees the issues like whether the composition of each Committee is adequate and balanced, whether the deliberations at the Committee meetings were within the overall objectives for which it was constituted, whether the deliberations are effectively and adequately communicated to the

Board, and whether the meetings are held on regular basis and members are participating in the meetings regularly.

In the performance evaluation of each Director the parameters that were applied include whether he or she is regular in attendance, timely present, read the material, feels involved and interested in the Board's work; whether effectively communicating governance and ethical problems to the Board and in cases of conflict of interest avoid participation in the discussions; whether initiates discussions in a meaningful and helpful way, constructively participates and makes timely decisions; Whether understands his/her fiduciary duties and acts for the benefit of stakeholders rather than any select group; whether working as a team member striving for consensus while expressing dissent where required; whether working with Whole Time Directors in a way to create trust and co-operation; whether where required avail the assistance and services of staff and outside consultants without hesitation and prevails upon the Board to agree and whether the functioning was within the overall goals and objectives of the company.

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