

**ASHIANA HOUSING LIMITED**

**POLICY ON PERFORMANCE EVALUATION & FAMILIARISATION PROGRAMME**  
**OF THE BAORD OF DIRECTORS**

## INTRODUCTION

The Company conducts its operations under the directions of Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, the Articles of Association, SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015, Secretarial Standards and Code of Conduct and policies formulated by the Company for its internal execution. The Company's Board of Directors is dedicated to act in good faith, exercise their judgment on an informed basis, in the best interest of the company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides for a policy to be formulated and recommended to the Board, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rationale manner.

As one of the most important functions of the Board of Directors is to oversee the functioning of the Company, this Board Performance Evaluation process aims to ensure individual directors ("Directors") and the Board of Directors of the Company ("Board"), as a whole, work efficiently and effectively in achieving their functions. With an aim to maintain an energized, proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the members of the Board of the Company.

This policy aims at establishing a procedure for conducting a periodical evaluation of its own performance and of its committees and individual directors. The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director.

## RESPONSIBILITY OF THE BOARD / INDEPENDENT DIRECTORS

It shall be the duty of the Board, who shall be supported by the management, to organize 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 maximize their strength and to tackle their shortcomings.

### **The Board of Directors shall undertake the following activities on annual basis:**

- I. Review the various strategies of the Company and accordingly set the performance objectives for directors, in consistency with varying nature and requirements of Company's business.
- II. 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.

In conformity with the requirement of the Act, the performance evaluation of the Board and its members shall be done in the following manner:

- a) Performance evaluation of Managing Director – shall be done by Independent Directors;
- b) Performance evaluation of Executive Directors – shall be done by Independent Directors;
- c) Performance evaluation of Non Executive Directors – shall be done by the entire Board of Directors except the director being evaluated;
- d) Performance evaluation of Independent Directors – shall be done by the entire Board of Directors except the director being evaluated;

## EVALUATION FACTORS

Methodology of appraisal of Board of directors and its individual director, shall be as given in **Annexure I** to this policy.

## REVIEW

The performance evaluation process will be reviewed annually by the “Nomination and Remuneration Committee”.

Subject to the approval of Board of Directors, the Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

## DISCLOSURE

Company will disclose details of its Board Performance Evaluation processes in its Board’s Report. The Board’s report containing such statement shall indicate the manner in which formal evaluation has been made by the Board of its own performance and that of the committees of the Board and individual directors of the Company.

## FAMILIARISATION PROGRAMME

The Company shall organize familiarization programme for the Independent Directors to appraise them with their professional conduct, roles, functions and duties of the Independent director as per the provisions of Listing agreement and Companies Act, 2013.

Independent Director shall be familiarized and shall be updated with changes in the company related to the policies, procedures, business and strategies of the company as and when required.

## REVIEW BY THE BOARD

The Board reserves the right to review this policy and make revisions as may be required.