

**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.

# Methodology/ Criteria/ Parameters for Evaluation of Directors, Board as a Whole and Board Committees

## Annexure 1

	Benchmark Parameters	Yes/ No
	<p><b>1 Effective Board</b></p> <p>i Board composition (Executive, Non Executive, Independent, Woman, Nominee)</p> <p>ii Diversified Board (Directors with Financial Background and Non Financial Background)</p> <p>iii Size of the Board (No. of Directors)</p> <p>iv Specific skills in Directors and qualifications</p> <p>v Formal system of selection of independent directors</p> <p>vi Tenure of independent directors</p> <p>vii Whether relatives were appointed on the Board just to be compliant (Like woman relative appointed)</p> <p>viii Time spent by the directors on corporate strategy</p> <p>ix Quality, quantity and timeliness of the flow of information between the management and the Board</p> <p>x Separation of Chairman and CEO</p> <p><b>2 Independence of Independent Directors</b></p> <p>i Independence as per companies law</p> <p>ii Independence as per listing agreement</p> <p>iii Do the Independent Directors express their suggestions, opinions freely</p> <p><b>3 Controls and Procedures (i.e. contributory participation)</b></p> <p>i Constructive attendance in all Board and General Meetings</p> <p>ii Training of Independent Directors</p> <p>iii Compensation</p> <p>iv Documented roles and expectations of Independent Directors</p> <p>v Review of systems &amp; procedures developed by the company</p> <p><b>4 Lead Independent Director (to convey collective opinion of independent directors)</b></p> <p><b>5 Meetings of Independent Directors</b></p> <p><b>6 Board Evaluation Process</b></p> <p><b>7 Communications and Relationships</b></p> <p>i with other Board of other companies having common directors</p> <p>ii with the external agencies</p> <p><b>8 Information sharing</b></p> <p>i Board meeting intimation</p> <p>ii Board meeting agenda</p> <p>iii Board and committee minutes approvals</p> <p>iv General meeting intimation</p> <p>v General meeting minutes</p> <p><b>9 Inter Board Relationships</b></p> <p>i Is there any restrictions on external Board membership for independent directors</p> <p><b>10 Regulatory Compliances</b></p> <p><b>11 Alignment of Board Structure with Shareholder Agreement</b></p> <p><b>12 Board Controls and Procedures</b></p> <p>i Time Invested and Processes used for monitoring and Evaluating Board Performance</p>	

**Evaluation of Managing Director**

Evaluation criteria		Ratings					Comments
		1	2	3	4	5	
<b>a) Leadership</b>							
	The MD has shown clear vision in correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations.						
	The MD has clearly translated his vision and strategy into feasible business or operational plans to achieve strategic success for the Company.						
	The MD has accurately communicated his concept, vision, mission, strategies, goals, and directions for the Company to stakeholders.						
	The MD has motivated and encouraged high employee morale and loyalty to the organization, and facilitated team-building and cohesiveness among the Company's employees to achieve the Company's vision.						
	The MD is open to constructive suggestions, and exercised effective leadership for the organization.						
	The MD has been an initiator, setting high working standards and pursuing goals with a high level of personal drive and energy.						
<b>b) Strategy Formulation</b>							
	There is active participation and considerable contribution by the MD in developing clear mission statements, policies, and strategic plans that harmoniously balance the needs of shareholders, clients, employees, and other stakeholders.						
	There is active participation and considerable contribution by the MD in identification and analysing problems and issues confronting the Company and in determination and assessment of key success factors for formulating the Company's strategy.						
	The MD has ensured that company's resources and budgets are aligned to the implementation of the organization's strategic plan.						
	There is active participation and considerable contribution by the MD in establishing processes in monitoring and controlling works, thus ensuring effective organizational performance.						
<b>c) Strategy execution</b>							
	There is active participation and considerable contribution by the MD in establishing effective organization structure, ensuring that there is management focus on key functions necessary for the organization to align with its mission.						
	The MD has ensured that there are effective systems to supervise performance monitoring and performance control to ensure accountability at all levels of the organization.						
	The MD has ensured that there are effective systems to ensure that company's operations comply with requirements from all pertinent laws and regulations .						
<b>d) Financial planning / performance</b>							
	The MD has good understanding of the company's financial measures relevant to its business and financial situation, and has good judgment in managing the financial affairs and budgets of the organization.						
	The MD has effectively monitored and evaluated financial planning, budget and administrative operations.						
<b>e) External Relations</b>							
	The MD has encouraged corporate social responsibility and community involvement in promoting a positive image of Company.						
	The MD has ensured that the Company maintains positive relationships in the community and cultivates good working relationships with community groups and organizations.						
<b>f) Human Resources Management/Relations</b>							
	The MD has ensured an organizational culture and climate which attracts, keeps and motivates staff to carry out the Company's mission, strategic directions and organizational goals.						
	MD has ensured that there is effective succession plan in place and also there is effective review of the same.						
<b>g) Product/Service Knowledge</b>							
	The MD has a good understanding of the company's business model and allocation of its resources, as well as business and industry environment.						
<b>h) Relationships with the Board</b>							
	The MD has been available to individual Board members whenever necessary, as well as supported the board in its governance duties by providing necessary resources and other facilities.						

**Evaluation of Executive Director**

Evaluation criteria		Ratings					Comments
a) Leadership		1	2	3	4	5	
	The ED has shown clear vision in correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations.						
	The ED has clearly translated his vision and strategy into feasible business or operational plans to achieve strategic success for the Company.						
	The ED has accurately communicated his concept, vision, mission, strategies, goals, and directions for the Company to stakeholders.						
	The ED has motivated and encouraged high employee morale and loyalty to the organization, and facilitated team-building and cohesiveness among the Company's employees to achieve the Company's vision.						
	The ED is open to constructive suggestions, and exercised effective leadership for the organization.						
	The ED has been an initiator, setting high working standards and pursuing goals with a high level of personal drive and energy.						
b) Strategy Formulation							
	There is active participation and considerable contribution by the ED in developing clear mission statements, policies, and strategic plans that harmoniously balance the needs of shareholders, clients, employees, and other stakeholders.						
	There is active participation and considerable contribution by the ED in identification and analysing problems and issues confronting the Company and in determination and assessment of key success factors for formulating the Company's strategy.						
	The ED has been instrumental in determination and assessment of key success factors for formulating the Company's strategy.						
	There is active participation and considerable contribution by the ED in establishing processes in monitoring and controlling works, thus ensuring effective organizational performance.						
c) Strategy execution							
	There is active participation and considerable contribution by the ED in establishing effective organization structure, ensuring that there is management focus on key functions necessary for the organization to align with its mission.						
	The ED has ensured that there are effective systems to supervise performance monitoring and performance control to ensure accountability at all levels of the organization.						
	The ED has ensured that there are effective systems to ensure that company's operations comply with requirements from all pertinent laws and regulations .						
d) Financial planning / performance							
	The ED has good understanding of the company's financial measures relevant to its business and financial situation, and has good judgment in managing the financial affairs and budgets of the organization.						
	The ED has effectively monitored and evaluated financial planning, budget and administrative operations.						
e) External Relations							
	The ED has been instrumental in communicating with all stakeholders.						
	The ED has clear and in depth understanding of contribution of corporate social responsibility and community involvement in promoting a positive image of Company.						
	The ED has ensured that the Company maintains positive relationships in the community and cultivates good working relationships with community groups and organizations.						
f) Product/Service Knowledge							
	The ED has thorough knowledge and understanding about key aspects of the Company's products and services.						
	The ED has regularly demonstrated creativity and initiative in creating new products and services						
g) Relationships with the Board							
	The ED has been available to individual Board members whenever necessary, as well as supported the board in its governance duties by providing necessary resources and other facilities.						
	The ED has demonstrated a sound knowledge of Board governance procedures and has consistently followed them.						

**Evaluation of Chairperson**

Evaluation criteria		Ratings					Comments
<b>a) Managing Relationships and leadership</b>		1	2	3	4	5	
	The Chairperson actively manages shareholder, board, management and employee relationships and interests.						
	The Chairperson manages meetings effectively and promotes a sense of participation in all the Board meetings.						
	The Chairperson promotes effective participation of all Board members in the decision making process.						
	The Chairperson promotes the positive image of the Company.						
	The Chairperson promotes continuing training and development of directors.						

**Evaluation of Independent Director**

Evaluation criteria		Ratings					Comments
<b>a) Participation at Board/Committee Meetings</b>		1	2	3	4	5	
	The director has full knowledge of Company strategy and objectives and can monitor performance.						
	The director understands his role as Director, as distinct from management.						
	The director come fully prepared for Board/Committee meetings and can question/critique proposals with confidence.						
	The director participates effectively and openly in Board discussions.						
	The MD is open to constructive suggestions, and exercised effective leadership for the organization.						
	The director has confidence in risk management strategy of the Company and proactively contributes in to development of strategy and risk management of the Company.						
	The director's contributions at Board / Committee meetings are of high quality and innovative.						
<b>b) Managing Relationship</b>							
	The director's performance and behaviour promotes mutual trust and respect within the Board / Committee.						
	The director is effective and successful in managing relationships with fellow Board members and senior management ?						
	The MD has ensured that company's resources and budgets are aligned to the implementation of the organization's strategic plan.						
<b>c) Knowledge and Skill</b>							
	The director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee.						



	Evaluation Criteria of Audit Committee of Ashiana Housing Ltd.	
Sl. No.		Your opinion (Yes/ No)
1	Does the Audit Committee discharge of its functions and duties as per its terms of reference	
2	Does the Audit Committee follows process and procedures for discharging its functions	
3	Does the suggestions and recommendations of the Audit Committee implemented	
4	Does the size and structure of the Audit Committee commensurate with the size and structure of the company	
5	Are the members of Audit Committee financially literate and at least one member had accounting or related financial management expertise	
6	Does the proper procedure followed for conduct of meetings of Audit Committee	

	<b>Evaluation Criteria of Nomination and Remuneration Committee of Ashiana Housing Ltd.</b>	
<b>Sl. No.</b>		<b>Your opinion (Yes/ No)</b>
<b>1</b>	Does the Nomination and Remuneration Committee discharge of its functions and duties as per its terms of reference	
<b>2</b>	Does the Nomination and Remuneration Committee follows process and procedures for discharging its functions	
<b>3</b>	Does the suggestions and recommendations of the Nomination and Remuneration Committee implemented	
<b>4</b>	Does the size and structure of the Audit Committee commensurate with the size and structure of the company	
<b>5</b>	Does the proper procedure followed for conduct of meetings of Nomination and Remuneration Committee	

	<b>Evaluation Criteria of Stakeholders Relationship Committee of Ashiana Housing Ltd.</b>	
<b>Sl. No.</b>		<b>Your opinion (Yes/ No)</b>
<b>1</b>	Does the Stakeholders Relationship Committee discharge of its functions and duties as per its terms of reference	
<b>2</b>	Does the Stakeholders Relationship Committee follows process and procedures for discharging its functions	
<b>3</b>	Does the suggestions and recommendations of the Stakeholders Relationship Committee implemented	
<b>4</b>	Does the size and structure of the Stakeholders Relationship Committee commensurate with the size and structure of the company	
<b>5</b>	Does the proper procedure followed for conduct of meetings of Stakeholders Relationship Committee	