

ELDECO HOUSING AND INDUSTRIES LIMITED

BOARD EVALUATION POLICY

1. BACKGROUND

The Board of Directors (the “Board”) of Eldeco Housing and Industries Limited (“Company”) has, basis the recommendation of the Nomination and Remuneration Committee, adopted this board evaluation policy (“Policy”) to comply with the various provisions under Regulation 19 and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) and the Companies Act, 2013 (“Companies Act”).

2. PURPOSE

The purpose of the Board evaluation is to give all Board members an opportunity to evaluate and discuss the Board’s performance with candor and from multiple perspectives. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board’s time, and increased effectiveness of the Board as a governing body.

3. DEFINITIONS

- a) “**Board**” means Board of Directors of the company.
- b) “**Company**” means Eldeco Housing and Industries Limited.
- c) “**Companies Act, 2013**” means the Companies Act, 2013 read with the Rules framed thereunder (including any modification(s) / amendment(s) / re-enactment(s) thereof) (the “Act”).
- d) “**Committee**” means Nomination and Remuneration Committee of Board of Directors of the Company
- e) “**Directors**” mean Directors of the Company.
- f) “**Independent Director**” means a director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.
- g) “**Key Managerial Personnel**” mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

h) **“Senior Management”** shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

i) **“Policy”** means Board Evaluation Policy.

4. EVALUATION FRAMEWORK

a) The performance evaluation framework consists of three parts / categories as per below:

- Performance Evaluation of Committees
- Performance Evaluation of the Board as a whole
- Performance Evaluation of Individual Directors

b) The evaluation of independent directors shall be done by the entire board of directors which shall include;

- Performance of the directors; and
- fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

c) As a Board member role during evaluation will be as follows:

- Complete self-evaluation of the Committee(s) are part of;
- Complete self-evaluation of the Board as a whole; and
- Take part in peer evaluation of all your colleagues on the Board

5. EVALUATION PROCESS

The Evaluation Process for all the aforesaid categories shall be carried out as follows:

- The evaluation process shall be carried out annually i.e. once in a financial year;
- The evaluation process shall be initiated each year by:
 - The Chairman of the Committee(s) in case of performance evaluation of the Committee(s);

Effective from April 1, 2019

- The Chairman of the Nomination and Remuneration Committee in case of performance evaluation of the Board as a whole; and
- The Chairman of the Board in case of performance evaluation of individual directors.

The aforesaid processes shall be coordinated by Key Managerial personnel who will assist the respective chairman in the evaluation process.

- Format of Evaluation Forms are attached herewith as **Annexure-I**.
- Company Secretary will send evaluation form to each board member.
- Committee(s) / Board members shall complete the forms and return them to the Company Secretary.
- Company Secretary will tabulate the results and share the summary report with the Committee(s) and the Board.

6. AMENDMENTS TO THE POLICY

The Board of Directors, on its own and / or as per the recommendations of Nomination Remuneration Committee can amend this Policy as and when deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

ELDECO HOUSING AND INDUSTRIES LIMITED

ANNUAL PERFORMANCE EVALUATION FRAMEWORK

GUIDELINES FOR FILLING:

- (1) This questionnaire consists of review of performance of Board.
- (2) Each question consists of one parameter, which is to be marked on a scale of 1 to 5, with 1 being the lowest score, and 5 being the highest.
- (3) Kindly attempt all the questions. In any case, you wish to skip any question, or have any additional inputs, you may state the same in the space provided below for comments.
- (4) The responses should not be influenced by the nationality, religious or political beliefs, gender or other characteristics, or by commercial considerations
- (5) The responses should be objective and constructive, refraining from being hostile or inflammatory and from making libellous or derogatory personal comments.

OBJECTIVE

- (1) Review the performance of the Board as a whole;
- (2) 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.

REVIEW OF PERFORMANCE OF THE BOARD

Name of Director: _____

Sr. No	Particulars	Score (1-5)
A.	<u>Composition and Quality</u>	
1	The Board is broad based	
2	Board members have the appropriate qualifications, skills, experience and knowledge	
3	The Independent Directors meet all applicable independence requirements	
4	The Board monitors compliance with corporate governance norms and other laws applicable to the Company	
5	Board's involvement in forming and reviewing certain key processes, such as long term corporate strategy, risk management, anti-fraud framework, compliance framework, succession planning, etc.	
6	Access to the statutory and internal auditors of the Company	
B)	<u>Understanding Business and Risks</u>	
1	Directors have sufficient knowledge of the Company's businesses to enable them to fulfill their duties and obligations.	
2	The Company keeps the Directors sufficiently informed on developments that affect their responsibilities (recent increased in duties due to enactment of new	
3	The Company's management and internal control system is periodically reviewed	
C)	<u>Process and Procedure</u>	
1	The structure and content of the Board meeting agendas are appropriate.	
2	Board documents and updates are received in a timely manner.	
3	Board meetings are conducted effectively, with sufficient time spent on significant or emerging points.	
4	The agenda and related information are circulated in advance of the meetings to allow Board members sufficient time to study and understand the information.	
5	The Board maintains adequate minutes of each meeting	
6	Board members come to meetings well prepared and the attendance at the meetings is satisfactory.	

Effective from April 1, 2019

D)	<u>OVERSIGHT OF FINANCIAL REPORTING PROCESS INCLUDING INTERNAL CONTROLS AND AUDIT FUNCTIONS</u>	
1	The Board considers the quality and appropriateness of financial accounting and reporting including transparency of disclosures.	
2	Reviewing the annual goals (including financials) and comparing the year end achievement.	
3	The Board reviews the Company's significant accounting policies.	
4	The Board understands the coordination of work between independent and internal auditors and clearly articulates its expectations of each.	
5	The Board appropriately considers the suggestions from the Audit Committee, internal audit reports, management's responses, risk framework and steps toward improvement.	
6	The Board reviews the audit fees paid to the independent auditors.	
7	The Board through Audit Committee reviews material related party transactions.	
E)	<u>ETHICS AND COMPLIANCE</u>	
1	The Board is fully aware of the Company's code of conduct and has a well-developed sense of ethics.	
2	Board members oversee the process and are notified of communications received from governmental and regulatory agencies related to alleged violations or areas of non-compliance.	
3	The Board is fully engaged in Corporate Governance and regularly monitors the Company's performance in these areas and compliance with the Company's code of conduct.	
4	The Directors are able to present their views convincingly yet diplomatically and do they listen and take on board the views of others.	
F)	<u>MONITORING ACTIVITIES</u>	
1	The board monitors corporate strategy periodically	
2	An annual performance evaluation of the Board is conducted and any matters that require follow-up are resolved and presented to the Board.	
Comments:		

1=Unsatisfactory,
2= Performance needs improvement
3=Satisfactory,
4= Good Performance,
5=Excellent

Signature

Date:

Effective from April 1, 2019

ELDECO HOUSING AND INDUSTRIES LIMITED

ANNUAL PERFORMANCE EVALUATION FRAMEWORK

GUIDELINES FOR FILLING:

- (1) This questionnaire consists of review of performance of each Director.
- (2) Each question consists of one parameter, which is to be marked on a scale of 1 to 5, with 1 being the lowest score, and 5 being the highest.
- (3) Kindly attempt all the questions. In any case, you wish to skip any question, or have any additional inputs, you may state the same in the space provided below for comments.
- (4) The responses should not be influenced by the nationality, religious or political beliefs, gender or other characteristics, or by commercial considerations
- (5) The responses should be objective and constructive, refraining from being hostile or inflammatory and from making libellous or derogatory personal comments.

OBJECTIVE

- (1) Review the performance of individual Director;
- (2) 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.

Effective from April 1, 2019

EVALUATION OF DIRECTOR

Name of Director: _____

S. No.	Parameters	Directors Name for whom evaluation is being done
1.	Regularity, preparation, participation, quality and value of contribution at the Board/ Committee meetings.	
2.	Prepared & informed of meeting and is there meeting satisfactory	
3.	Effective and successful relationships and communication with fellow Board members and senior management	
4.	Timely execution of action items, recommendations and their periodic update to the Board	
5.	Adherence to the Company's policies and resolutions	
6.	Devoting time and effort to understand the company and its business	
7.	Spreading awareness about economic and industrial conditions, regulatory changes and competition to perform their duties effectively	
8.	Ability to bring convergence in case of divergent views and conflict of interest situation tabled at board meetings.	
9.	Quality and value of their contributions at board meetings	
10	Contribution to development of strategy and to risk management	
11.	How successfully have they brought their Knowledge and experience to bear in the consideration of strategy	
12	How effectively and proactively have they followed up their areas of concern	
13	Does their performance and behavior engender mutual trust and respect within the board	
14	Demonstrate quality of analysis and judgment related to progress and opportunities and need for changes	
15	Sees that the communication vehicle are developed and utilized well	
Additional Comments		

- 1=Unsatisfactory,
 2= Performance needs improvement
 3=Satisfactory,
 4= Good Performance,
 5=Excellent

 Signature

Date:

Effective from April 1, 2019

REVIEW OF THE BOARD'S COMMITTEES

Name of the Director: _____

S. No.	Particulars	Strongly Agree	Agree	No view	Disagree	Strongly Disagree	Suggestion (if any)
1	<u>Mandate and composition:</u> The mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						
2	<u>Effectiveness of the Committee:</u> Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						
3	<u>Structure of the Committee and meetings:</u> 1. The Committees have been structured properly and regular meetings are being held.						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						
	2. In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board.						
	a) Audit Committee						
b) Nomination & Remuneration Committee							

Effective from April 1, 2019

	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						
4	<u>Independence of the Committee from the Board:</u> Adequate independence of the Committee is ensured from the Board						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						
5	<u>Contribution to decisions of the Board:</u> The Committee's recommendations contribute effectively to decisions of the Board						
	a) Audit Committee						
	b) Nomination & Remuneration Committee						
	c) Corporate Social Responsibility Committee						
	d) Stakeholder Relationship Committee						

Signature

Date: