

# **Hotel Leelaventure Limited**

## **Policy on Board Evaluation Framework**

**(EFFECTIVE FROM 1<sup>TH</sup> APRIL, 2019)**

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### **Introduction**

Pursuant to Section 178 & Schedule IV (Clause VII & VIII) of the Companies Act, 2013 and Regulation 25 (4) & Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company has to adopt a framework for evaluation of the Board as a whole, its committees and members:

The Directors, individually and as a Board, as well as the key executives of the Company, need to work efficiently and effectively in performing their duties and discharging their responsibilities. This will ensure that the Company is well placed to achieve its stated objectives and targeted outcomes.

The Company has established a process for evaluating the performance of the Board in general and the performance of individual Directors and the key management personnel. These processes are set out below.

### **Evaluation of the Board and Directors**

The Board as a whole shall discuss and analyze its own performance annually.

The Board evaluation process shall involve a confidential survey of the Directors. A questionnaire would be circulated amongst the Board members to seek their feedback as to how they rate the performance of the Board as a whole. The results shall be aggregated and discussed by the Board in order to assess the Directors' collective performance and the scope for improvement.

The Chairman shall provide individual feedback to each Director based on the survey results, providing opportunity to assess individual contributions, development plans and any specific issues.

The Chairman may seek the assistance of the Nominations and Remuneration Committee in the evaluation process, since the said Committee is responsible for recommending to the Board, appointment, re-appointment and removal of the directors.

At a Meeting of the Board, the Board of Directors shall evaluate the performance of the Independent Directors, excluding the Director being evaluated.

## **Evaluation of Board Committees**

The Board has established various Committees like the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Finance Committee, etc. as per the requirement under the applicable statutory provisions or other-wise to assist the Board in discharging its duties and responsibilities. The Committees are entrusted with certain specific roles and responsibilities. The roles and responsibilities of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee are statutory in nature whereas the Finance Committee deals with the financial and operational matters of the Company.

The Board shall annually review the terms of reference of all the above Committees and membership of each Committee to ensure that the committees have competencies to achieve the objectives. The Board shall consider changes in the terms of reference and composition of the committees, as required or deemed necessary, for improving the efficiency.

Each Committee shall annually review the fulfillment of its responsibilities as set out in its terms of reference and report their findings / recommendations to the Board for review. The Board shall provide feedback to the Committees, including endorsement of recommendations.

### **At a Meeting of the Independent Directors:**

- The directors shall review of the performance of non-independent directors and the Board as a whole;
- The directors shall review of the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;
- The directors shall assess the quality, quantity and timelines of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

## **Evaluation of Executive Directors and Key Management Personnel**

The Board shall review the performance of Executive Directors and Key Managerial Personnel (KMP) on a yearly basis. KMP shall include all members of the core management team (excluding the Board of Directors) comprising of all members of management one level below the Chief Executive Officer./Managing Director/ whole time Director (including CEO/Manager, in case they are not part of the Board) including Company Secretary and Chief Financial Officer.

Performance will be assessed against a range of pre-agreed key performance indicators (“KPI’s”) and objectives. KPI’s and objectives will be determined having regard to the Company’s performance objectives as agreed by the Board and in the form of the annual budget, business plans, strategies, Company’s priorities, etc.

The Executive Directors shall be responsible for assessing the performance of other key executives and the staff. KPI's and objectives shall be determined having regard to the Company's performance objectives as relevant to each executive. The Executive Directors shall periodically review the performance parameters to ensure that they remain consistent with the Company's priorities, objectives and businesses requirements.

### **Review and Monitoring**

The Board shall review the above framework periodically and monitor its implementation so as to achieve the desired objectives / results.

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