

HOTEL POLO TOWERS LIMITED

PERFORMANCE EVALUATION POLICY OF BOARD OF DIRECTORS

Preamble

In terms of the provisions of Section 134(3)(p), Section 178, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Regulation 17, Regulation 25 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors of Hotel Polo Towers Limited ("the Company") has formulated criteria and adopted this Policy to evaluate the performance of the Independent Directors, Non-Independent Directors and the Board as a whole based on the recommendation of Nomination & Remuneration Committee ('the Committee').

This Policy shall be effective from the date of listing of the equity shares of the Company on one or more recognized stock exchanges.

Objective

The objective of this Policy is to formulate the procedures and lay down the criteria to evaluate the performance of the Independent Directors, Non-Independent Directors, the Committees and the Board, pursuant to the above legal provisions.

Frequency & Timing

Pursuant to Section 134(3)(p) of the Act, the Board shall undertake a formal evaluation on an annual basis of:

1. Its own performance;
2. Performance of its Committees; and
3. Performance of individual Directors.

The evaluation shall ordinarily be undertaken on a financial year basis, though the Company may adopt a calendar year basis, if required.

Evaluation Process and Criteria

- The Committee shall evaluate the performance of Independent Directors, Non-Independent Directors, Committees and the Board based on the criteria stated in the evaluation forms annexed hereto.
- The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

- Independent Directors shall separately evaluate the performance of Non-Independent Directors, the Chairperson and the Board as a whole as per Schedule IV of the Companies Act, 2013.
- Independent Directors shall meet without the presence of Non-Independent Directors and management.
- Based on the criteria stated in the form, each and every Director and the Board has to be evaluated by giving ratings whichever is felt proper.
- The Committee shall review and carry out evaluation of every director's performance under Section 178 of the Companies Act, 2013 upon completion of evaluation as stated above.

Evaluation Factors

The Board of the Company shall consider the following parameters for the purpose of evaluating the performance of directors:

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of independent directors, non-independent directors and committees of directors separately, as such evaluation factors may vary in accordance with their respective functions and duties.

Following are the ratings for evaluation under the Performance Evaluation Policy:

Evaluation	Rating
Satisfactory	3
Average	2
Below Average	1

Action Plan

- Once responses from all the Directors have been received, a summary of the results of the Board evaluation will be placed before the Nomination and Remuneration Committee. Based on the feedback from each member, an average rating for each question will be obtained. All questions with an average rating of 4.5 or less have been identified as areas for reflection and action planning. These are not necessarily the problem areas but definitely the areas where processes/practices can be improved to meet the best governance standards, and the Board may devise a plan to address such identified areas ("**Action Plan**").
- The Action Plan should carry in detail the following:
 - i. The nature of actions, including training and skill building, required to be undertaken to address the identified areas.
 - ii. Timeline within which the actions detailed in the Action Plan shall be completed.
 - iii. Persons responsible for the implementation of the Action Plan.
 - iv. Resources required to achieve the objectives set out in the Action Plan.

- The Board must review the actions set out in the Action Plan within a specific time period.

Confidentiality

All discussions held during the evaluation process shall remain confidential. Evaluation results are not public records and shall be maintained securely in the confidential personnel files of Directors and the Board.

Disclosure

The process of performance evaluation shall be disclosed in the Board's Report. Key features of this Policy shall also be included in the Corporate Governance Report forming part of the Annual Report of the Company.

Review and Amendment

The Board may, subject to applicable provisions of the Listing Regulations and the Companies Act, 2013 & the Rules made thereunder review and amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Nomination & Remuneration Committee.

ANNEXURE – PERFORMANCE EVALUATION FORM OF DIRECTORS FOR FY ____

Name of the Director:

Category:

Following are the ratings for evaluation under the Performance Evaluation Policy:

Evaluation	Rating
Satisfactory	3
Average	2
Below Average	1

Please tick at the appropriate column under the Rating Scale

Sl. No.	Particulars	Rating Scale **		
A.	Evaluation Criteria for Independent Directors	1	2	3
1	Attendance at Board/Committee Meetings			
2	Inputs on the minutes of meetings			
3	Adherence to Ethical Standards, Code of Conduct,			

	Disclosure of interest and Conflict of Interests			
4	Raising valid concerns and constructive contribution			
5	Participation at Board Meetings and rendering independent opinion			
6	Knowledge of Company's business, External environment, Strategic direction			
7	Contribution to best corporate governance practices			
8.	Interpersonal relations with other directors and management.			
9.	Contribution to the enhancement of brand image of the Company.			
	Total A			
B	Evaluation Criteria for Chairperson / Managing Director / Non-Independent Directors			
1	Attendance at Board/Committee Meetings			
2	Inputs on the minutes of meetings			
3	Contribution to growth vs budgeted performance			
4	Leadership initiatives, strategic ideas, branding efforts			
5	Ethical standards, Code of Conduct, disclosure of interests			
6	Teamwork, supervising and training of staff			
7	Compliance with policies, reporting frauds, violations			
8	Safeguarding whistle-blowers, confidentiality			
9	Vision, knowledge of industry and external environment			
10	Time and attention for informed decision-making			
	Total B			
C	Evaluation Criteria for Board of Directors and Committees			
1	Is composition of the Board and Committees appropriate with the right mix of expertise and skills?			
2	Has the Company necessary and adequate Committees for the effective functioning and are proper reports given to the Board?			
3	Whether independence requirements are properly adhered to?			
4	Effectiveness in developing a corporate governance structure			
5	Is there an effective internal control system for identifying and reporting risk, violation of policies and legal compliances?			
6	Do the Board and committees receive regular financial updates as and when required?			
7	Are sufficient number of Board and committee meetings held?			
8	Are Board meetings conducted so that open discussions, meaningful participation and timely resolution of issues are encouraged?			
9	Does the Chairman of the Board and Committees conduct			

	meetings effectively?			
10	Are Board and Committees aware of their role and have a clear understanding of goals?			
11	Do the Board Members and Committee members follow the Code of Conduct?			
	Total C			
	Total (A+B+C)			

Signature:

Name of the Director:

Date:

Place:
