

POLICY FOR EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS OF MADHUBAN CONSTRUCTIONS LIMITED

1. INTRODUCTION:

Madhuban Constructions Limited (hereinafter referred to as “**the Company**”) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Company’s Code of Conduct policy for its Board of Directors and senior management personnel. The honesty, integrity and sound judgment and performance of the Directors and the Senior Management are key criteria for the success and for building a good reputation of the Company. Each Director and executive in the Senior Management is expected to comply with the letter and spirit of this Policy. Any actual or potential violation of this Code by the Board Directors would be the matter of serious concern for the Company.

Therefore, the Company has made this policy to comply with various provisions under the clause 49 of the Listing Agreement entered into by the Company and Stock Exchanges in India as per the SEBI Regulations published vide its Circular No. CIR / CFD / POLICY CELL / 2 / 2014 dated April 17, 2014 as amended and published vide its Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 and also the formal annual evaluation made by the Board of Directors of its own performance (self-appraisals) and that of its committees and individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Companies Act, 2013. The Nomination & Remuneration Committee shall evaluate the performance of the each Board of Director as per subsection (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made there under.

2. DEFINITIONS:

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

“**The Company**” shall mean **Madhuban Constructions Limited**.

“**The Director**” or “**the Board**” in relation to the Company shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.

“**The Independent Director**” shall mean an Independent Director as defined under section 2 (47) read with section 149 (5) of the Act.

“**The Policy**” or “**This Policy**” shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

“**The Committee**” or “**This Committee**” shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

3. OBJECTIVE:

The Board is ultimately responsible for the sound and prudential management of the Company.

Performance evaluation is the process of both formally and informally providing feedback about an individual’s implementation of his / her responsibilities. The Object of this policy is to formulate procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

4. VARIOUS KINDS OF PERFORMANCE EVALUATION:

A. EVALUATION OF THE PERFORMANCE:

The Committee shall evaluate the performance of each Director and Senior Management of the Company on the basis of the criteria of Evaluation and rating of Performance as per clause 6 and 7 of this Policy.

Based on the performance evaluation of each and every Director and Senior Management of the Company, the Committee shall provide the ratings based on each criteria and sub-criteria. The detail process of evaluation and ratings thereon are mentioned in the clause 6 and 7 of this policy respectively.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

B. EFFECTIVENESS OF THE BOARD:

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

5. SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS:

Evaluation of the Executive Directors of the Company shall be carried out by entire Board except the Director being evaluated. The meeting for the purpose of evaluation of performance of Board Members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Nomination and Remuneration Committee for performance evaluation on its web site for the reference and also in the Annual Report of the Company.

6. CRITERIA FOR EVALUATION OF PERFORMANCE:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board specified in **Annexure – 1 (Board Member Feedback)**.

7. PROCEDURE TO RATE THE PERFORMANCE:

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall rate the performance of the each and every Director.

The performance rating shall be given within minimum 1 and maximum 10 categories, the rating 1 being least effective and 10 being most effective. Based on the rating of performance the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

8. AMENDMENTS:

The Company reserves its right to amend or modify this Policy as may be considered appropriate at any time.

MADHUBAN CONSTRUCTIONS LIMITED -BOARD MEMBER FEEDBACK

Madhuban Constructions Limited believes in value for its stakeholders through ethical processes and integrity. The Board plays a very important role in ensuring the Company's performance. Timely inputs are given by the Board to enhance its performance and set the right direction for growth. Hence, it is important that every individual Board Member effectively contributes in the Board deliberations.

Name of the Director: _____

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Sr. No.	Question	Rating	Remark
1	Participation and attendance in Board and Committee Meetings actively and consistently		
2	Prepares adequately for Board and Committee Meetings		
3	Stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards		
4	Contributes to strategy and other areas impacting company's performance		
5	Brings his/her experience and credibility to bear on the critical areas of performance of the organization		
6	Keeps updated knowledge of his/her areas of expertise and other important areas		
7	Communicates in open and constructive manner		
8	Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented		
9	Helps to create brand image of the Company and helps the company wherever possible to resolve issues, if any		
10	Actively contributes toward positive growth of the Company		
11	Conduct himself/herself in a manner that is ethical and consistent with the laws of the land		
12	Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.		
13	Ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions		
Total Ratings			

Note : Total Rating 9 and above – excellent, between 7.5 to 8.9 – Very good, between 6.0 to 7.4 – Good, between 3.5 to 5.9 – Satisfactory and Less than 3.5 – Unsatisfactory.