

DEFINITIONS AND INTERPRETATION

1 Definitions

“Applicable Law” shall mean all applicable laws, statutes, enactments, acts of central or state legislature, ordinances, rules, regulations, notifications, guidelines, directions, directives, policies, circulars, decisions and any other pronouncements issued in accordance with the Companies Act, SEBI Act, Listing Regulations or any other law applicable to the jurisdiction of India by any central, state, local, or other governmental, administrative or regulatory authority exercising executive, legislative, judicial, regulatory or administrative functions, including but not limited to the RBI and Ministry of Corporate Affairs.

“Board” means the Director or the Board, in relation to the Company, and deemed to include the collective body of the Board of the Company including the chairman of the Company.

“Code of Conduct” shall mean the code of conduct for Directors as formulated by Lohia Corp Limited.

“Company” shall mean Lohia Corp Limited.

“Companies Act” shall mean Companies Act, 2013, and rules and regulations issued thereunder, as amended from time to time.

“Director” shall mean a director on the Board of the Company.

“Independent Director” shall mean an independent director as defined under section 2(47) to be read with Section 149(5) of the Companies Act, 2013.

“Listing Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“NRC” shall mean the Nomination and Remuneration Committee of the Board of Directors, constituted under the provisions of Section 178 of the Companies Act.

“Policy” shall mean this Policy for the evaluation of performance of the Board of Directors of the Company.

“RBI” shall mean the Reserve Bank of India.

“SEBI Act” shall mean the Securities and Exchange Board of India Act, 1992, as amended from time to time.

2 Interpretation

Unless defined expressly herein, all capitalised terms used in this Policy shall have the meanings assigned to them under the Companies Act, SEBI Act and rules and regulations thereunder. In the event of any conflict between this Policy and Applicable Law, the Applicable Law shall prevail. Any amendment / modification to the Applicable Law shall automatically apply to this Policy to the extent applicable.

BACKGROUND AND OBJECTIVES

3 Objectives

The objective of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the entire Board of the Company. The purpose of such evaluation framework is to *inter alia* facilitate the identification of the areas of concern, create awareness about the role of Directors individually, and collectively as a Board, and to steer the Board in the direction of achieving the Company's mission and vision. Further, the Company shall adopt best practices to manage the affairs of the Company in a seamless manner and ensure sustained long-term value creation for stakeholders by achieving good corporate governance.

The Company believes in managing its affairs in a fair and transparent manner with the goal of ensuring that the Board as a whole, and its committees and individual directors work effectively, with the highest standards of honesty, integrity, and professionalism towards advancing the strategic and commercial success of the Company.

The Company recognises the role of good governance practices in enhancing value creation for shareholders and fulfilling responsibilities towards stakeholders. Any potential / actual instance of violation of this Policy or the Code of Conduct shall be taken seriously by the Company. Accordingly, this Policy sets out the processes and criteria for the evaluation of the performance of:

- a. The Board as a whole;
- b. The committees of the Board; and
- c. Individual Directors (including Independent Directors and chairperson).

FRAMEWORK FOR PERFORMANCE EVALUATION

4 Role of the NRC

As per the provisions of the Companies Act and Listing Regulations, the NRC shall *inter alia* perform the following functions:

- a. The NRC shall formulate criteria for evaluation of performance of Independent Directors and the Board;
- b. The NRC shall carry out evaluation of every Director's performance; and
- c. The NRC shall recommend to the Board whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of such Independent Directors.

5 Performance Evaluation of Individual Directors

Performance of Individual Directors shall be evaluated by the NRC as set out in **Annexure A** to this Policy, the Nomination and Remuneration Policy of the Company, the provisions of Section 178 of the Companies Act and based on their functions as

mentioned in the Code of Conduct of the Directors and Senior Management Personnel. The Board, as applicable, shall also be guided by the criteria provided under the guidance note on Board evaluation dated January 05, 2017 bearing reference number SEBI/HO/CFD/CMD/CIR/P/2017/004 issued by the Securities and Exchange Board of India and a guide to board evaluation dated August, 2020 issued by the Institute of Company Secretaries of India, as amended from time to time.

6 Performance Evaluation of Independent Directors

The performance evaluation of Independent Directors shall be carried out by the entire Board (excluding the Independent Director whose performance is under review) and shall include the performance of the Independent Director, fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the Board and management, as set out in **Annexure B**. On the basis of the report of performance evaluation, it shall be determined by the Committee whether to extend or continue the term of appointment of the independent Director.

7 Performance Evaluation of the Chairperson

The performance evaluation of the Chairperson shall be carried out by the Independent Directors, in the manner as set out in **Annexure C**.

8 Performance Evaluation of the Board and NRC

The performance evaluation of the Board and the NRC shall be carried out by each of the Board / NRC members, as may be the case, in the manner as set out in **Annexure D** and **E**, respectively.

- a. In the Board and NRC performance evaluation, each Board / NRC member shall provide their evaluation inputs in the manner as set out in **Annexure D** and **E**, respectively, prior to the meeting scheduled for the purpose of evaluation.
- b. Results of the performance evaluation will be tabulated and analysed prior to the meeting scheduled for evaluation, and will be presented in a summary report to include composite scoring.
- c. The individual evaluation inputs from each of the Board / NRC member will also be preserved and presented to the Board and the NRC during the meeting scheduled for evaluation.
- d. The Board will discuss areas that are working well, and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward.

9 Criteria for Evaluation of Performance

The Committee has laid down the following criteria for evaluation of performance of executive Directors, Independent Directors, Chairman and the Board:

- a. Attendance and contribution at Board and committee meetings;
- b. Their stature, appropriate mix of expertise, skills, behaviour, experience,

leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards;

- c. Their knowledge of finance, accounts, legal, investment, marketing, foreign exchange / hedging, internal controls, risk management, assessment and mitigation, business operations, processes and corporate governance;
- d. Their ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions;
- e. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency;
- f. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity;
- g. Recognition of the role which they are expected to play, internal board relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board;
- h. Their global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility, etc.;
- i. Quality of decision making in connection with the business of the Company, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources, etc.;
- j. Their ability to monitor the performance of management and satisfy themselves with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders;
- k. Their contribution towards enhancement of overall brand image of the Company.

10 General

The performance evaluation process as prescribed in this Policy, including the criteria for evaluation as set out in the annexures to this Policy, may be reviewed and amended by the Board, in consultation with the NRC, as provided under the Listing Regulations. The feedback of *inter alia* the Board members, Chairperson, and management of the Company may be considered by the Board and / or the NRC, as the case may be, while reviewing and / or amending the Policy.

The responsibility of the performance evaluation as prescribed in this Policy lies with the chairperson of the NRC, who will be supported by the Company Secretary for administration and compliance of this Policy.

In accordance with the requirement under the Companies Act, read with the rules made thereunder, and the Listing Regulations, disclosures of manner of formal annual evaluation of the Directors, the Independent Directors, the Chairperson, the Board, and the NRC, along with the performance evaluation criteria for the Independent

Directors, will be made in the Report of Board of Directors / Annual Report of the Company.

ANNEXURE A: CRITERIA FOR EVALUATION OF INDIVIDUAL DIRECTORS

Name of the Director being evaluated: _____

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

Evaluation Criteria	Rating
The Director attends the Board and Committee meetings and contributes to the discussion in a meaningful and helpful way, listening to others and making their points concisely.	
The Director prepares adequately for the meetings, is succinct, to the point and contributes effectively to the deliberations	
The Director understands their fiduciary duties and acts for the benefit of all members.	
The Director understands and keeps abreast with the external operating environment of the Company.	
The Director is adequately well-versed on Company's business and makes efforts to be educated on the aspects that they do not understand.	
The Director works with the other Board members as a team, striving for consensus when it is called for and creates an atmosphere of trust and cooperation.	
The Director communicates governance and ethical problems to the Chairman of the Committee / Board.	
The Director understands the Company's strategic direction and critical issues and prompts as well as contributes to the board discussion on strategic issues.	
The Director seeks opportunities for self-development and is open to feedback as well as takes action to rectify.	
Conduct himself/herself in a manner that is ethical consistent with the laws of land.	

Signature with Date:

Name of Director: _____

ANNEXURE B: CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTORS

Name of the Director being evaluated: _____

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

Evaluation Criteria	Rating
The Director attends the Board and Committee meetings and contributes to the discussion in a meaningful and helpful way, listening to others and making their points concisely.	
The Director prepares adequately for the meetings, is succinct, to the point and contributes effectively to the deliberations	
The Director understands their fiduciary duties and acts for the benefit of all members.	
The Director understands and keeps abreast with the external operating environment of the Company.	
Helps in bringing an independent judgment to bear on the Board's deliberations.	
Satisfies themselves on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible.	
Assists the Company in implementing the best corporate governance practices.	
The Director understands the Company's strategic direction and critical issues and prompts as well as contributes to the board discussion on strategic issues.	
The Director seeks opportunities for self-development and is open to feedback as well as takes action to rectify.	
Conduct himself/herself in a manner that is ethical consistent with the laws of land.	

Signature with Date:

Name of Director: _____

ANNEXURE C: CRITERIA FOR EVALUATION OF CHAIRPERSON

Name of the Chairperson being evaluated: _____

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

Evaluation Criteria	Rating
The Chairperson of the Board guides the Board in meeting as per the requirements under the Companies Act and Listing Regulations.	
The Chairperson conducts the Board meetings in a respectful and efficient manner facilitating open and productive discussion.	
The Chairperson is available accessible to Directors. He communicates and consults with Directors between Board Meetings, if required.	
The Chairperson provides confidential and constructive feedback to Directors to help them enhance their contribution and effectiveness.	
The Chairperson is open to receive feedback and suggestions from Directors to enhance Board's and his/her own effectiveness.	
The Board Chairperson acts as an effective bridge between the Board and the Committee Chairpersons.	

Signature with Date:

Name of Director: _____

ANNEXURE D: CRITERIA FOR EVALUATION OF BOARD

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

Evaluation Criteria	Rating
The Board is effective in decision making.	
The Board knows and understands the Company's mission and engages in long range strategic thinking and planning.	
Board is effective in developing a corporate governance structure that allows and encourage the Board to fulfil its responsibilities.	
Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.	
The Board meeting agendas are well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.	
The Board recognizes its Policy-making role, and reconsiders and revises policies, as necessary.	
The Board as a whole (and Board members as individuals) evaluates its performance on an annual basis and in a meaningful way.	
The Board brings discussions to a conclusion with clear direction to Management for implementation and is collegial and polite during meetings.	

Signature with Date:

Name of Director: _____

ANNEXURE E: CRITERIA FOR EVALUATION OF NRC

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

Evaluation Criteria	Rating
The NRC is comprised of the right number and type of members and is effective.	
The composition, terms of reference, roles and responsibilities of the NRC are in line with the applicable laws and are actively adhered to by the members.	
The NRC meeting agendas are well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.	
NRC meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.	

Signature with Date:

Name of Director: _____