



**Performance Evaluation Policy**  
**OF**  
**LLOYDS ENTERPRISES LIMITED**

**CIN: L27100MH1986PLC041252**

**Registered Office: A 2 2nd Floor Madhu Estate Pandurang Budhkar  
Marg Lower Parel Mumbai 400013**

**Tel. 022-62918111**

## **INTRODUCTION**

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, listing agreement with stock exchanges, internal code of conduct and policies formulated by the Company for its internal execution.

The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis and in the best interest of the company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides that a policy is to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

With an aim to maintain a proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this Board Performance Evaluation process aims to ensure that individual directors ("Directors") and the Board of Directors of the Company ("Board") as a whole work efficiently and effectively in achieving Company's objectives. This policy aims at establishing a procedure for the Board to conduct periodic evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

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**Annexure A:**  
**Policy on Board Diversity**

As per Regulation 19(4) and schedule II part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee of Board (NRC) is required to formulate and adopt a Policy on Board Diversity

**1. Purpose of this Policy:**

This Policy on Board Diversity (the “Policy”) sets out the Company’s approach to ensuring adequate diversity in its Board of Directors (the “Board”) and is devised in consultation with the Nomination and Remuneration Committee (the “Committee”) of the Board.

**2. Scope of Application:**

The Policy applies to the Board of Lloyds Enterprises Limited (the “Company”).

**3. Policy Statement:**

The Company recognizes and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognized that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

**4. Review of the Policy:**

The Board and the Committee will review this Policy on a regular basis to ensure its effectiveness and also compliance with The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **Annexure B:**

### **Familiarization Programme for Independent Directors**

As required by the Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to develop a Familiarization Programme for the Independent Directors of the Company.

The Company will impart Familiarization Programmes for new Independent Directors inducted on the Board of the Company.

The Familiarization Programme of the Company will provide information relating to the Company, business model of the Company, geographies in which Company operates, etc. The Programme also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme should also provide information relating to the financial performance of the Company and budget and control process of the Company.

The Managing Director or such other authorized officer(s) of the Company shall lead the Familiarization Programme on aspects relating to business / industry. The Chief Financial Officer or such other authorized officer(s) of the Company may participate in the Programme for providing inputs on financial performance of the Company and budget, control process, etc.

## Annexure C:

### **Framework for performance evaluation of Independent Directors and the Board**

The Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, the Board shall monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors).

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organize the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
  - 2.1 Knowledge to perform the role;
  - 2.2 Time and level of participation;
  - 2.3 Performance of duties and level of oversight; and
  - 2.4 Professional conduct and independence.
3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
4. In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

## 1. Performance Evaluation of Independent Directors

Regulation 17(10) mandates that entire board of directors shall do the performance evaluation of independent directors. Regulation 19(4) provides that the Nomination & Remuneration Committee shall lay down the evaluation criteria for performance evaluation of Independent Directors. The Board of Directors shall take into consideration the following parameters for evaluating the performance of an independent director:

Sr. No	Criteria of Evaluation	Rating				Comments
		Poor	Good	Excellent	NA	
<b>I.</b>	<b>Knowledge to perform the role</b>					
1.	Demonstrates knowledge of the sector in which the company operates					
2.	Has knowledge and familiarity with the business of the Company, its subsidiaries, plants etc.					
3.	Has an understanding of the key risks facing the company					
4.	Has kept himself / herself abreast through Familiarization Programme / module					
5.	Has an understanding of the key policies of the Company					
6.	Is aware of key information furnished by the Company to the Stock exchange.					
<b>II.</b>	<b>Time and Level of Participation</b>					
1.	Has attended meetings of the Board or Board committees where he is a member					
2.	Has attended general meetings of the Company including the Annual General Meeting					
3.	Has participated as part of the Board / Committee meeting on performance of the Company v/s Budgets					
4.	Has participated at Audit Committee meetings and discussed with Internal Auditors to understand various concerns					

5.	Has participated at Audit Committee meetings and discussed with Statutory Auditors to understand various concerns					
6.	Has participated at Board Meetings to understand litigations, etc.					
7.	<p>Have had discussions with the management at various meetings to understand the following:</p> <ul style="list-style-type: none"> <li>✓ Key performance drivers and reason for key variations in financial numbers compared to prior quarters.</li> <li>✓ Key areas of judgment and estimates</li> <li>✓ Key accounting positions taken by the Company which have a bearing on the financial performance</li> <li>✓ Understanding if any expert assistance is needed in any of the areas</li> <li>✓ Adequacy of internal controls on financial reporting</li> </ul>					
8.	Does not unfairly obstruct the functioning of the Board or Committee of the Board where he is a member					
<b>III.</b>	<b>Performance of Duties and Level of Oversight</b>					
1.	Has reviewed levels of remunerations and terms of appointment of executive directors, key management personnel and senior management.					
2.	Has reviewed levels of remunerations and terms of appointment of statutory auditors, including independence compliance of non-audit services rendered by the statutory auditors.					
3.	Has ensured that concerns raised are addressed by the Board. If significant concerns are not addressed, ensures that these are minuted in the minutes of the					

	Board meeting.					
4.	Has reviewed the Related Party transactions and ensured that they are in the interest of the Company.					
5.	Has participated constructively and objectively in all meetings of the Board or committee of the Board where he is a member					
6.	Has evaluated all significant complaints and whistle blower information received by the Company					
7.	Has ensured that the money spent on CSR has been as per the CSR policy approved by the CSR committee.					
8.	Has reviews the Annual Report, especially the MD&A.					
<b>IV.</b>	<b>Professional Conduct and Independence</b>					
1.	Has complied with the Code of Ethics of the Company					
2.	Has complied with the Insider Trading Policy of the Company					
3.	Has maintained confidentiality of all information obtained in the capacity of an Independent Director.					
4.	Has provided timely declaration to the Company as required by section 149 (6) and 149 (7) of Companies Act 2013.					
5.	Has intimated the Company immediately if there are any issues relating to Independence.					
6.	Has not abused his position for gaining any personal benefit either for himself or any person related.					
7.	Has no litigation pending relating to issues of integrity.					



## 2. Performance Evaluation of the Board

In respect of each of the evaluation parameters, various descriptors have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors, as such evaluation factors may vary in accordance with their respective functions and duties.

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular director:

S. No	Criteria of Evaluation	Rating				Comments
		Poor	Good	Excellent	NA	
<b>I.</b>	<b>Knowledge to perform the role</b>					
1.	Demonstrates knowledge of the sector in which the company operates					
2.	Has knowledge and familiarity with the business of the Company, its subsidiaries, plants etc.					
3.	Has an understanding of the key risks facing the Company					
4.	Has kept himself / herself abreast through Familiarisation Programme / module					
5.	Has an understanding of the key policies of the Company					
6.	Is aware of key information furnished by the Company to the Stock exchange.					
<b>II.</b>	<b>Time and Level of Participation</b>					
1.	Has attended meetings of the Board or Board committees where he is a member					
2.	Has attended general meetings of the Company including the Annual General Meeting					
3.	Has participated as part of the Board / Committee meeting on performance of the Company v/s Budgets					
4.	Has participated at Audit Committee meetings and discussed with Internal Auditors to understand various concerns					

5.	Has participated at Audit Committee meetings and discussed with Statutory Auditors to understand various concerns					
6.	Has participated at Board Meetings to understand litigations, etc.					
7.	<p>Have had discussions with the management at various meetings to understand the following:</p> <ul style="list-style-type: none"> <li>✓ Key performance drivers and reason for key variations in financial numbers compared to prior quarters.</li> <li>✓ Key areas of judgment and estimates</li> <li>✓ Key accounting positions taken by the Company which have a bearing on the financial performance</li> <li>✓ Understanding if any expert assistance is needed in any of the areas</li> <li>✓ Adequacy of internal controls on financial reporting</li> </ul>					
8.	Does not unfairly obstruct the functioning of the Board or Committee of the Board where he is a member					
<b>III.</b>	<b>Performance of Duties and Level of Oversight</b>					
1.	Has reviewed levels of remunerations and terms of appointment of executive directors, key management personnel and senior management.					
2.	Has reviewed levels of remunerations and terms of appointment of statutory auditors, including independence compliance of non-audit services rendered by the statutory auditors.					
3.	Has ensured that concerns raised are addressed by the Board. If significant concerns are not addressed, ensures that these are minuted in the minutes					

	of the Board meeting.					
<b>4.</b>	Has reviewed the Related Party transactions and ensured that they are in the interest of the Company.					
<b>5.</b>	Has participated constructively and objectively in all meetings of the Board or committee of the Board where he is a member					
<b>6.</b>	Has evaluated all significant complaints and whistle blower information received by the Company					
<b>7.</b>	Has ensured that the money spent on CSR has been as per the CSR policy approved by the CSR committee.					
<b>8.</b>	Has reviews the Annual Report, especially the MD&A.					
<b>IV.</b>	<b>Professional Conduct and Independence</b>					
<b>1.</b>	Has complied with the Code of Ethics of the Company					
<b>2.</b>	Has complied with the Insider Trading Policy of the Company					
<b>3.</b>	Has maintained confidentiality of all information obtained in the capacity of an Independent Director.					
<b>4.</b>	Has provided timely declaration to the Company as required by The Companies Act 2013.					
<b>5.</b>	Has intimated the Company immediately if there are any issues relating to Independence.					
<b>6.</b>	Has not abused his position for gaining any personal benefit either for himself or any person related.					
<b>7.</b>	Has no litigation pending relating to issues of integrity.					

**Annexure D:**  
**Framework for Separate Meeting of Independent Directors**

As required by the provisions of Schedule IV to the Companies Act, 2013 the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.

The meeting shall:

- a) Review the performance of Non-independent Directors and the Board as a whole;
- b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors;
- c) Assess the quality, quantity and timeliness of flow of information between the Company
- d) Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

This meeting could be held prior or after the Board Meeting. The Independent Directors are free to call such meeting at any point of time, as desired.

***This policy was amended by the Board of Directors on 03<sup>rd</sup> May, 2024***