

Board Evaluation Policy



LT Foods Ltd.

1. INTRODUCTION

As one of the most important functions of the Board of Directors is to oversee the functioning of company's performance through its' top management, this policy aims to establish a procedure for conducting periodical evaluation of director's performance and formulating criteria for determining qualification, positive attribute and independence of each and every director of the company in order to effectively determine issues relating to remuneration of every director, key managerial personnel and other employees of the company. This policy further aims to ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties. In addition, the Nomination and Remuneration Committee shall carry out the evaluation of performance of all members of Board of Director.

2. OBJECTIVE

The object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of Directors of LT Foods.

3. RESPONSIBILITY

Responsibility of the Board

It is the duty of the Chairperson of the Board, who is supported by the Company Secretary to organize the evaluation process and accordingly conclude the steps required. The evaluation process is used constructively as a system to improve the director's and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

The Board of Directors undertakes the following activities on an annual basis:

- a. The board as a whole discusses and analyzes its own performance during the year together with suggestions for improvements thereon, pursuant to the performance objectives in an annual retreat, held distinctly from the board meetings.

- b. Review performance evaluation reports of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirements of establishing any new committees shall be reviewed by the Board on an annual basis.
- c. Review the various strategies of the company and accordingly set the performance objectives for the directors.
- d. Ensure that adequate disclosure is made with regard to performance evaluation in the Board's Report.

Responsibility of the Nomination & Remuneration Committee

It evaluates the performance of Individual Directors of the Company as per its terms of and the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013

Responsibility of the Independent Directors

Independent directors are duty bound to evaluate the performance of non-independent directors and Board as a whole. The independent directors of the Company hold at least one meeting in a year to review the performance of non-independent directors, performance of the chairperson of the Company and Board as a whole, taking into account the views of non-independent Directors.

The independent directors at their separate meetings 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 non-independent Directors;
- c. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Evaluation of Independent Directors shall be carried on by the entire Board of Directors of the Company except the Director getting evaluated.

4. POLICY REVIEW

Subject to the approval of Board of Directors, The Nomination and Remuneration Committee” reserves its right to review and amend this policy, if required to ascertain its appropriateness as per the needs of the company. The policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

5. DISCLOSURES

In accordance with the requirement under the Companies Act, 2013, disclosures regarding the manner in which the performance evaluation is done by the Board of Directors of its own performance, performance of various committees of the directors and individual directors’ performance are made by the Board of Directors in the Board’s Report, Further, the Board’s Report containing such statement are made available for the review of shareholders at the general meeting of the Company.

The Policy has been made available on Company’s official website and the key features of this Policy have also been included in the corporate governance statement contained in the annual report of the Company.