

Mechanism for the Performance Evaluation of the Directors

Of

M/s. LINCOLN PHARMACEUTICALS LIMITED

A. Performance Evaluation Parameters:

i. Top-line and Bottom-line Performance:

- a) Actively contribute in designing strategy towards accomplishing revenue / profit targets and control costs to secure profits.
- b) Closely monitor performance of the Management and provide guidance on the course correction to achieve financial targets.

ii. Quality of the Business Performance:

- a) Ensure that the financial performance of the Company truly indicates the business performance.
- b) Provide an objective assessment of the business performance of the Company.

iii. Financial Controls and Reporting

Ensuring the integrity of the Company's Accounting and Financial reporting systems including the statutory and the internal audit and that appropriate systems of controls are in place, in particular, systems for Risk Management, Financial and Operational Control, and Compliance with the law and relevant business and social standards

iv. Contributing to the Business Performance

Reviewing and guiding the Corporate Strategy, major plans of action, Risk Policy, Annual Budgets and Business Plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments to secure business profitability and sustainability, provide business continuity and succession, plan for change, exploring new business opportunities.

v. Key Talent Management

- a) Actively contribute in designing the processes for hiring; evaluation; development, retention and remunerating key talent in the organisation
- b) Succession plans for key executive positions and key roles are designed and implemented to ensure the continuity of the business.

vi. Culture Building

Actively contribute to the plan of culture building exercise in the organisation and take lead in communicating the same to the Board and employees.

vii. Other Statutory Duties

Other statutory duties under Listing Agreement, the Companies Act, 2013 and other applicable laws, if any.

B. Performance Evaluation Matrix for the Executive Directors

Performance Criteria	Target	Evaluation Tool/s
1. Top-line and Bottom-line Performance		
1.1. Actively contributes to designing strategy towards accomplishing revenue targets and control costs to secure profits	No deviation from performance targets without being flagged earlier	Audited Financial Numbers
1.2. Closely monitor performance of management and providing guidance on course correction to achieve targets	No material deviations from Tactical and Strategic plans	Minutes of Meeting
2. Quality of business performance		
2.1. Ensure that the financial numbers truly indicates business performance	All financial numbers reported to be validated and any non-business earning highlighted	Financial Reports
2.2. Provide an objective assessment of business performance	Timely & periodic formal performance feedback	Performance Evaluation Sheet
3. Financial Controls and Reporting		
3.1. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems	<ul style="list-style-type: none"> • No material financial risk exposure • All material processes to be aligned to governance • No material observations in statutory and internal audit 	<ul style="list-style-type: none"> • Financial Reports • Audit Report

for risk management, financial and operational control, and compliance with the law and relevant standards.	<ul style="list-style-type: none"> No material non-compliance of applicable laws 	
4. Contributing to business performance		
4.1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets & business plans; setting performance objectives; monitoring implementation; corporate performance; overseeing major capital expenditures, acquisitions/divestments to secure business profitability and sustainability	<ul style="list-style-type: none"> No major deviation from business performance targets All Strategic and Tactical plans delivered as per agreed schedule 	<ul style="list-style-type: none"> Audited Financial Reports Minutes of Meeting
5. Key Talent Management		
5.1. Actively contribute to designing processes for hiring; evaluation; development and remunerating Key Talent in the organisation	All Key Management Personnel hired as per the updated process	Meeting manpower planning as per business plan of the Company
5.2. Succession plans for key positions and key roles is designed and implemented to ensure business continuity	Identify all critical positions, help arrive at plan to fill them and monitor implementation	Report to the Board
6. Culture Building		
6.1. Actively contribute to the plan of culture building exercise in the organisation and take lead in communicating the same where need be	Help design Culture Building Plan and lead implementation	Report to the Board