



**POLICY FOR EVALUATION OF THE PERFORMANCE OF THE
BOARD OF DIRECTORS OF LLOYDS LUXURIES LIMITED**
(CIN U74999MH2013PLC249449)

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POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

1. INTRODUCTION

Lloyds Luxuries 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/manner, in consonance with the Company’s Code of Conduct for its employees and also for the Board of Directors (the “**Board**”). The honesty, integrity and sound judgement 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 in the letter and spirit of this Policy. Apart from this Code, the Code of Conduct for Directors/Employees shall also be applicable, additionally and specifically to the Senior Management of the Company *mutatis mutandis*. Any actual or potential violation of these Codes by the Directors would be the matter of serious concern for the Company.

Therefore, the Company has formulated this Policy to comply with various provisions under the Act and the Listing Regulations and also the formal annual evaluation made by the Board 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 Act. The Committee shall evaluate the performance of each Director as per sub-section (2) of Section 178 and based on the functions of the Independent Directors as indicated under Schedule IV (as per Section 149) to the Act and the Rules made thereunder.

2. DEFINITIONS

- a. “**the Act**”: means The Companies Act, 2013 and the rules made thereunder;
- b. “**the Company**”: The Company means Lloyds Luxuries Limited.
- c. “**the Director**” or “**the Board**”: 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 Chairperson of the Company.
- d. “**the Independent Director**”: The Independent Director shall mean an Independent Director as defined under Section 2(47) to be read with Section 149 (6) of the Act.
- e. “**the Policy**” or “**this Policy**”: The Policy or This Policy shall mean the Policy for Evaluation of the performance of the Board of Directors of the Company.
- f. “**the Committee**” or “**this Committee**”: 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 Act.

3. 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 the Company.

4. VARIOUS KINDS OF PERFORMANCE EVALUATION

A. APPRAISAL SYSTEM:

Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below. This appraisal is mandatory and will be done under the provision of the clause (p) of sub-section (3) of Section 134 of the Act.

The Committee has laid down the criteria for evaluation of performance of executive Directors,

Independent Directors, Chairman and the Board:

- a. Attendance and contribution at Board and Committee meetings.
- b. His/her 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.
- c. His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
- d. His/her 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. Recognize the role which he/she is 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. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- i. Understanding of financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
- j. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- k. His/her contribution to enhance overall brand image of the Company.

CRITERIA FOR BOARD EVALUATION

Structure
The Board has the right composition which brings in diversity, experience, specialized skills and expertise for effective functioning of the board.
The Board Members have a clear and shared understanding of their roles and responsibilities.
Strategic Orientation
The Board has a good understanding of the key performance drivers of the business.
The financial and non-financial value drivers are in place to focus on the enhancement of stakeholder value.
The Board has visibility on key talent and succession plans in the business.
The Board is satisfied with the effectiveness of the risk management architecture to anticipate, measure and mitigate them.
The Board focuses on the right issues and priorities.
Board Functioning and Team Dynamics
The Board Meetings conducted in a manner which facilitates open discussions and robust debate.
The Board Members trust and value each other's' experience and expertise to enable healthy discussion
The Board is able to discuss the agenda and other issues with senior Management in sufficient depth.
The Board receives adequate information to enable discussions/decision making during Board Meetings.
As compared to the other boards I serve, I find serving on this Board a satisfying experience.

The Board is independent in its functioning.
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Overall effectiveness of the Board.

COMMITTEE EVALUATION

The objectives of the Committee well defined and understood.
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The Committee is delivering on the defined objectives.
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The Committee has the right composition to deliver its objectives.
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Any other comments.

INDIVIDUAL EVALUATION

Parameters

Leading Self.

Understands the organization and the sector(s) in which the business operates.
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Understands key performance drivers of the business.
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Provides value added perspectives to the Board.

Attends and actively contributes to all Board debates and discussions.
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Leading Others

Collaborates and encourages healthy discussion among Board Members.

Gives authentic and clear feedback in Board discussions.
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Leading Business.

Leverages expertise and networks to meaningfully contribute to board discussions.

Ability to protect and leverage the interest of the Lloyds Luxuries Limited across all decisions and recommendations.

Possess sufficient skills, expertise and level of preparedness which allows the person to clearly add value to discussions and decisions.

Is able to change views of others in a constructive manner.

Evaluation of Independent Directors

Is able to discharge his/her duties with an objective independent judgement and without an external influence (only for Independent Directors).

Overall effectiveness as a Board Member.
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EVALUATION OF CHAIRPERSON

The Chairperson's leadership style is appropriate. (e.g.: decisive, open minded, facilitates deliberation, deals effectively with dissent and works constructively towards consensus)
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While setting the agenda for the Board Meetings, the Chairperson encourages and seeks the views and suggestions of the independent directors.

The Chairperson reaches out to all members to seek their contribution on substantive issues.
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The Chairperson allocates a fair amount of time to all board members to express their points of view.

Any additional comments.

B. EVALUATION OF THE PERFORMANCE

The Committee shall evaluate the performance of each Director of the Company under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of Section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code of Conduct of the Directors and the criteria for the evaluation of the performance as prescribed in this policy.

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 Independent Director getting evaluated.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criteria and sub-criteria.

C. EFFECTIVENESS OF THE BOARD

Based on the ratings given by the 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 executive 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 Committee for performance evaluation on its web site for the reference and also in the annual report of the Company.

6. PROCEDURE TO RATE THE PERFORMANCE

Based on evaluation criteria, the Committee and the Board shall rate the performance of the each and every Director. Based on the above rating, 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.

7. AMENDMENT

This Policy may be amended from time to time by the Board. The Policy shall automatically stand amended to reflect any changes to the SEBI Regulations, to the extent the same is the subject matter of this Policy.

8. DISSEMINATION OF THE POLICY

The policy shall be hosted on the website of the Company i.e. www.lloydsluxuries.in

Note:

1. This Policy shall come into effect from June 17, 2022.
