



**TERMS AND CONDITIONS OF APPOINTMENT OF  
INDEPENDENT DIRECTORS  
OF  
LLOYDS LUXURIES LIMITED**  
(CIN U74999MH2013PLC249449)

- Registered Office** : Trade World, 'C' Wing, 16<sup>th</sup> Floor, Kamala City, Senapati Bapat Marg,  
Lower Parel (W), Mumbai 400013 IN.
- Corporate Office** : B-2, Unit No. 3, 2<sup>nd</sup> Floor, Madhu Estate, Pandurang Budhkar Marg,  
Lower Parel Mumbai 400013 IN.

## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

### **1. PREFACE**

Schedule IV to the Companies Act, 2013 ('Act') provides for the 'Code for Independent Directors'. The appointment process of Independent Directors is independent of the company's management. During the selection process, the Board ensures that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

The appointment of Independent Director(s) of the Company is approved at the meeting of the shareholders. The Board always ensures that the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed director is independent of the management and a statement to that effect is included in the explanatory statement attached to the notice of the meeting.

The terms and Conditions of the appointment, which shall, in any event be subject to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Articles of Association of the Company, are set out below.

### **2. TERMS OF APPOINTMENT**

- a. The appointment will be for the period mentioned against their respective names ("Term"). The Company may remove Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act 2013 and Articles of Association of the Company. As per the provisions of Section 149 of the Act, no independent director shall hold office for more than two consecutive terms of five years each, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.
- b. In compliance with provision Section 149(13) of the Companies Act, 2013, Independent Directors are not liable to retire by rotation.
- c. Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The re-appointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.
- d. The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.
- e. The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or Listing Regulations or on the occurrence of any event as defined in section 167 of the Companies Act, 2013. Upon termination or upon resignation for any reason, duly intimated to the Company, Independent Directors will not be entitled to any compensation for loss of office.

### **3. RESIGNATION**

Independent Directors may resign from their position at any time and when they wish to do so, they are requested to serve a reasonable written notice on the Board.

### **4. TIME COMMITMENT**

By accepting the appointment, the Independent Director confirms that he is able to allocate sufficient time to perform his role, duties and responsibilities as an Independent Director of the Company.

### **5. ROLE, DUTIES AND RESPONSIBILITIES**

- As an Independent Director, he will be bound by the Code for Independent Directors as mentioned under Schedule IV to the Companies Act, 2013.
- As an Independent Director, he has the same general legal responsibilities to the Company as any other Director including all fiduciary duties, responsibilities, statutory obligations and liabilities of directors prescribed in law including the Companies Act, 2013.
- The Board as such is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The brief description of the terms of reference of the Board of Directors are as follows:
  - To manage and direct the business and affairs of the Company;
  - To manage, subject to the Articles of Association of the Company, its own affairs, including planning its composition, selecting its Chairman, appointing Committees, establishing the terms of reference and duties of Committees and determining Directors' compensation;
  - To act honestly and in good faith in the best interests and objects of the Company, its employees, its shareholders, the community and for protection of environment;
  - To exercise due care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and shall also exercise independent judgment;
  - To participate directly or through its Committees, in developing and approving the mission of the business, its objectives and goals and the strategy for their achievement;
  - To ensure congruence between shareholders' expectations, Company's goals, objectives and management performance;
  - To monitor the Company's progress towards its goals and to revise and alter its direction in light of changing circumstances;
  - To approve and monitor compliance with all significant policies and procedures by which the Company is operated;
  - To ensure that the Company operates at all times within applicable laws and regulations and ethical and moral standards;
  - To ensure that the performance of the Company is adequately reported to shareholders, other stakeholders and regulators on a timely and regular basis;
  - To ensure that the audited annual financial statements are reported fairly and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India;
  - To ensure that any developments that have a significant and material impact on the Company are reported from time to time to the concerned authorities;
  - Not to involve in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company;
  - Not to achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company;
  - Not to assign his office and any assignment so made shall be void; and
  - To act in accordance with the laws and regulations of the country and the Memorandum and Articles of Association of the Company.

- In addition to the above responsibilities, the role of the Independent Directors shall also have the following key elements:
  - **Strategy and Business Development:** The Independent Director should constructively challenge and contribute to the overall strategy and to the business development initiatives of the Company by getting actively engaged with the Company in making introductions to potential clients in the key service areas of the Company;
  - **Performance:** The Independent Director should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance; and
  - **Risk:** The Independent Director should satisfy himself that financial information is accurate and that financial controls and systems of risk management are robust and defensible.

## **6. OTHER OBLIGATIONS AND COMPLIANCES**

The Independent Director will be required to execute / confirm with respect to the following documentation on a periodic basis:

- Confirmation that he is not disqualified to act as a Director of the Company in terms of the Companies Act, 2013;
- Declaration of Independence in terms of the Companies Act, 2013;
- Disclosures under the Company Code for Prevention of Insider Trading;
- Code of Conduct for Directors of the Company;
- Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013;
- Disclosure of change in interest in companies where he is appointed / ceased as a Director or Key Managerial Personnel; and
- Confirmation that his directorships in companies do not conflict with the interest of the Company.

## **7. STATUS OF APPOINTMENT AND REMUNERATION**

- Independent Directors will not be employees of the Company and their appointment letter shall not constitute a contract of employment. They will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board.
- The aggregate remuneration, if any to be paid to all the Independent and Non-Executive Directors would not exceed 1% of the total net profits of the Company during any Financial Year.
- Independent Directors have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

## **8. INDEPENDENT PROFESSIONAL ADVICE**

There may be occasions when Independent Directors consider that they need professional advice in furtherance of their duties as Director and it will be appropriate for them to consult independent advisers at the Company's expense. The Company will reimburse full cost of expenditure incurred in accordance with the Company's policy.

## **9. EXPENSES**

In addition to the compensation described in above, the Company will reimburse the official travel expenses, hotel expenses, and all other reasonable out of pocket expenses borne by the Independent Director for participating in Board and other Committee meetings and other Business meetings.

## **10. OTHER DIRECTORSHIPS AND BUSINESS INTERESTS**

- The Company acknowledges that Independent Director may have business interests in other companies. In the event that he becomes aware of any potential conflicts of interests, these should be disclosed to the Chairman and Company Secretary as soon as they become apparent.
- During the appointment, he should consult with the Chairman prior to accepting any such other (or further) directorships of Indian companies or any major external appointments which may affect his interest in the Company.

## **11. CODE OF CONDUCT**

During the period of the appointment, the Independent Director will be bound by the Company's Code of Directors and such other codes of conduct under applicable laws including the Companies Act, 2013 and the Securities and Exchange Board of India Act, 1992.

## **12. CONFIDENTIALITY AND NON-DISCLOSURE**

- The Independent Director must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies (including wholly owned subsidiaries) with which he comes into contact by virtue of his position as an Independent Director of the Company.
- Any information concerning the Company's business, its customers, suppliers, etc. which is not in public domain and to which all employees do not have access, should be considered confidential for the purpose and should be held in confidence, unless authorized to do so and when disclosure is required as a requirement of law.
- The attention is drawn to the requirements under Indian regulations as to the disclosure of price sensitive information. The Independent Director shall not provide any information either formally or informally, to the press or any other publicity media without prior written clearance from the Chairman or Company Secretary.
- The examples of confidential information are, but not limited to the following:
  - Business plan, annual operations plan;
  - Performance against target;
  - Costing, pricing, profitability, financial budget and related issues;
  - Fees / stipend, evaluations, recommendations etc. related to any of the employees of the Company;
  - Sales commission, third party commission and about reference agents;
  - Details of past, present and future contracts and proposals;
  - Information about suppliers and/or customers;
  - Communication facilities and equipment;
  - Proposed ventures and corporate plans;
  - Technical marketing and financial strategies of the Company and/or its customers;
  - Core competencies and activities of the Company and/or its customers; and

- Any other information, which is likely to be crucial for the business operations.
- On termination of the Appointment, the Independent Director will deliver to the Company all books, documents, papers, and other property of or relating to business of the company or any Group Company which are in their possession, custody or power by virtue of their position as an Independent Director of the Company. The Company will arrange the disposal of papers that he no longer requires.
- If there is a breach or threatened breach of the provisions of Confidentiality, the Company shall be entitled to injunctive relief.

### **13. LIABILITY**

An Independent Director will be liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board process, and with his consent or connivance or where he had not acted diligently.

### **14. REVIEW PROCESS**

The performance of individual Directors and the whole Board and its committees is evaluated annually. The Independent Director will have to make himself available for carrying out the annual / periodic performance review of himself and the Board committees where he is a part thereof for review purpose. Independent Director has to further confirm that he will extend his contribution to review of the Board of Directors individually as well as for its various committees on behalf of / as desired by the Board of Directors on an annual / periodic time frame.

If, in the interim, there are any matters which cause an Independent Director concern about his role, he can discuss them with the Chairman/Managing Director as soon as it is appropriate.

### **15. AMENDMENT**

The Board (including its duly constituted committees wherever permissible), shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. 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.

### **16. Dissemination of the Policy**

The policy shall be hosted on the website of the Company i.e. [www.lloydsluxuries.in](http://www.lloydsluxuries.in)

#### **Note:**

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

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