



**NOMINATION & REMUNERATION POLICY  
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.

## **PREAMBLE:**

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Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the “**Act**”) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the “**SEBI Listing Regulations**”), the Board of Directors of every listed company is required to constitute the Nomination and Remuneration Committee.

### **I. OBJECTIVE**

In order to comply with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations and any other applicable provisions, if any our Company “Lloyd Luxuries Limited” has constituted the “Nomination and Remuneration Committee” (“**Committee**”) and formulated the “Nomination and Remuneration policy” (the “**Policy**”).

The key objectives of the Policy are as follows:

- a.** To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors of the Company (the “Board”) a policy relating to, the remuneration for the Directors, Key Managerial Personnel, Senior Management and other employees.
- b.** For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- c.** To formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
- d.** To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- e.** To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- f.** To devise a Policy on Board Diversity.
- g.** To develop a succession plan for the Board and to regularly review the plan.
- h.** To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

- i. To recommend to the Board, all remuneration, in whatever form, payable to senior management
- j. To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.

## **II. DEFINITIONS**

- a. **Act**” means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b. **Board**” means the Board of Directors of the Company.
- c. **Directors**” shall mean Directors of the Company.
- d. **Key Managerial Personnel**” or **KMP**” in relation to a Company as defined under subsection 51 of Section 2 of the Companies Act, 2013, means and includes:
  - i. the Chief Executive Officer or the Managing Director or the manager;
  - ii. the Company Secretary;
  - iii. the Whole-Time Director;
  - iv. the Chief Financial Officer;
  - v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - vi. such other officer as may be prescribed
- e. **Senior Management**” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.
- f. **Independent Director**” means a director referred to in Section 149(6) of the Act.

## **III. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPS AND SENIOR MANAGEMENT**

### **a. Appointment criteria and qualifications:**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- ii. The Company shall not recommend or appoint or continue the employment of any person as

the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years. Provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years. Provided further that where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the Company, the appointment of the person who has attained the age of seventy years may be made.

- iii. The Company shall take a prior approval of the Members by way of a Special Resolution for appointment / continuation of appointment of any Non- Executive Director who has attained the age of 75 (Seventy-Five) years.

**b. Term / Tenure:**

- i. **Managing Director/Whole-time Director/Manager:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director/ Whole-Time-Director/Manager or Executive Director for a term not exceeding 5 (five) years at a time. No re- appointment shall be made earlier than 1 (one) year before the expiry of term.

**ii. Independent Director:**

1. An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
2. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
3. At the time of appointment of Independent Director(s) it should be ensured that number of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director/Managing Director in any listed company or such other number as may be prescribed under the Act or the SEBI Listing Regulations.

**c. Evaluation:**

The Nomination and Remuneration Committee shall carry out evaluation of performance of the Board, its Committees and Individual Directors on a yearly basis and shall review its implementation and compliance.

The evaluation of Independent Directors shall be done by the entire Board of Directors which shall include –

- a. Performance of the Directors; and
- b. Fulfillment of the independence criteria as specified in these regulations and their Independence from the management.

Provided that in the above evaluation, the Directors who are subject to evaluation shall not participate.

**d. Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations, the Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMP or Senior Management Employee, subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

**e. Retirement:**

The Directors, KMP and Senior Management Employee shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Employee in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**f. Policy relating to the Remuneration for the Managing Director / Whole-time Director / Executive Director, KMP and Senior Management:**

- i. The remuneration / compensation / commission etc. to the Managing Director / Whole-time Director/ Executive Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for its approval. The remuneration / compensation /commissionetc. shall be subject to the prior/post approval of the Shareholders of the Company.
- ii. The remuneration and commission to be paid to the Managing Director and / or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act and SEBIListing Regulations and any other laws, as may be applicable, for the time being in force.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director or as laid down under the provisions of the Act.

**g. Remuneration to Managing Director/ Whole-time / Executive Director, KMP and Senior Management:**

- i. The Managing Director / Whole-time / Executive Director, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites shall be decided and approved by the Board, on the recommendation of the Committee and shall be approved by the Shareholders.
- ii. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director / Whole-time / Executive Director in accordance with the provisions of Section 197 of the Act and Schedule V to the Act.

- iii. **Provisions for excess remuneration:** If the Managing Director / Whole- time/ Executive - Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Act, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company.

The Company shall not waive the recovery of any sum refundable to it under the aforementioned para unless it is approved by the Company by way of a Special Resolution within two years from the date the sum becomes refundable.

Where the Company has defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the Company before obtaining approval of such waiver.

**h. Remuneration to Non- Executive / Independent Director:**

- i. **Remuneration / Commission:** The remuneration / commission shall be in accordance with the statutory provisions of the Act and the Rules made thereunder for the time being in force.

- ii. **Sitting Fees:** The Non- Executive (including Independent Director) may receive remuneration by way of Sitting fees for attending meetings of the Board or Committees thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the applicable law from time to time.

**iii. Limit of Remuneration/Commission:**

Remuneration/ Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**iv. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**IV. MEMBERSHIP**

- i. The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.
- ii. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the SEBI Listing Regulations.
- iii. The quorum for the Meeting of the Committee shall either be two members or one third of the total strength of the Committee, whichever is higher (including at least one Independent Director in attendance).
- iv. Membership of the Committee shall be disclosed in the Annual Report.
- v. Term of the Committee shall be continued unless terminated by the Board of Directors.

## **V. CHAIRPERSON**

- i. The Chairperson of the Committee shall be an Independent Director.
- ii. The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- iii. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- iv. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## **VI. FREQUENCY OF MEETINGS**

The Nomination and Remuneration Committee shall meet as and when the need arises, subject to at least one meeting in a year.

## **VII. COMMITTEE MEMBERS' INTERESTS**

- i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- ii. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **VIII. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **IX. DUTIES OF THE NOMINATION & REMUNERATION COMMITTEE**

### **Duties with respect to Nomination:**

The duties of the Committee in relation to the nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness.
- Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act.
- Determining the appropriate size, diversity, and composition of the Board.
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan.
- Evaluating the performance of the Board members and Senior Management in

the context of the Company's performance from a business and compliance perspective.

- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of the Managing Director / Whole Time Director / Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Considering any other matters, as may be requested by the Board.

### **Duties with respect to Remuneration**

The duties of the Committee in relation to the remuneration matters include:

- ii. to consider and determine the remuneration policy:
  - to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
  - to attract and retain skilled executives;
  - to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns;
  - to ensure any termination benefits are justified and appropriate;
  - to ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; and
  - to ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. Remuneration to Executive Director/ Key Managerial Personnel and Senior Management will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and may involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- iv. While deciding the remuneration package the Committee shall take into consideration current employment scenario and remuneration package of the industries operating in the similar comparable businesses in the geographical area of its operations.
- v. To delegate any of its powers to one or more of its Members of the Committee.
- vi. To consider any other matters as may be requested by the Board.



**X. MINUTES OF COMMITTEE MEETING**

Proceedings of all the Meetings must be minuted and signed by the Chairperson of the Committee at the subsequent Meeting. Minutes of the Committee Meetings will be tabled at the subsequent Board and Committee Meeting.

**XI. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**XII. AMENDMENT**

This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.

In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee, periodically. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

**XIII. 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 Nomination & Remuneration Policy has been amended with effect from April 8, 2023.

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