



**Terms and Conditions of Appointment
of Independent Directors**

OF

LLOYDS ENTERPRISES LIMITED

CIN: L27100MH1986PLC041252

**Registered Office: A 2 2nd Floor Madhu Estate Pandurang Budhkar Marg Lower Parel
Mumbai 400013**

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Terms and Conditions of Appointment of Independent Directors

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013]

Section 149(8) of the Companies Act, 2013 provides that the company and independent directors shall abide by the provisions specified in Schedule IV to the Companies Act, 2013 which provides for the 'Code for Independent Directors'.

The terms and conditions of appointment of Independent Directors are subject to the provisions of the applicable laws, including the Companies Act, 2013 and relevant regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 here after called (as amended from time to time).

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 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 for the appointment of the Independent Director are enumerated as follows -

- **Terms of Appointment**

The term of appointment of an Independent Director (ID) of the Company is for a period of 5 consecutive years from the date of his/ her appointment.

Independent Director is not liable to retire by rotation.

Appointment of every independent director shall be approved by members of the Company.

Reappointment - An Independent Directors will serve for not more than two terms of five years each on the Board of the Company subject to the maximum tenure of ten years as prescribed under the Companies Act, 2013. Appointment for the second term as an Independent Director shall be based on the recommendation of the Nominations & Remuneration Committee of the Board and subject to approval of the Board of Directors (the 'Board') and of the Shareholders by way of special resolution. The re-appointment would be considered by the Board based on evaluation of the performance and further subject to satisfying the requisite criteria of Independence as specified in the Companies Act, 2013.

The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.

- **Committees**

During the term of appointment, the Independent Director may be required to serve on one or more committees of the Board, i.e. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders' Relationship Committee or such other Committees, as the Board may decide.

The Independent Director is an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and

he/she believes that his/her independence will be in doubt, he/she should discuss the same with the Chairman of the Company as soon as practicable.

- **Roles and Duties**

The roles and duties of the Independent Director will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are inter-alia as under:

- 1) He/ she shall act in accordance with the Company's Memorandum of Association and Articles of Association.
- 2) He/ she shall act in good faith in order to promote the objects of the Company for the benefit of the members of the Company as a whole, and in the best interest of the Company.
- 3) He/ she shall discharge duties with due and reasonable care, skill and diligence.
- 4) He/ She shall not involve in a situation in which he/ she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- 5) He/ She shall not achieve or attempt to achieve any undue gain or advantage either to himself/ herself or his/ her relatives, partners or associates.
- 6) He/ She shall not assign office of Director and any assignments so made shall be void.
- 7) He/ She Shall comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.

Independent Directors shall also be taking sufficient care to perform duties specified in the Code for Independent Directors under Schedule IV of the Companies Act, 2013 and as specified by the relevant rules and regulations that come with such an appointment along-with accompanying liabilities.

- **Code of Conduct**

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

- **Expectation of the Board**

An Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

An Independent Director will be expected to attend meetings of Board and Board Committees in which ID is a member and Members' meetings and to devote such time as appropriate to discharge their duties effectively

By accepting the appointment, the Directors confirm that they are able to allocate sufficient time to meet the expectations from their role to the satisfaction of the Board.

- **Sitting Fees**

A sitting fee will be paid for attending each meeting of the board as well as the Committee Meeting attended, as may be decided by the Board from time to time in accordance with the limits prescribed under the Companies Act, 2013 and rules made thereunder.

In addition to the remuneration described above, the Company will reimburse actual cost incurred for travel, hotel and other incidental expenses incurred by the directors for participation in the meeting of the Board and Committees thereof in the performance of their role and duties as decided by the board.

- **Restrictions**

Save and except Directorships currently held by the Independent Director, during the term of Appointment, the Independent Directors are expected not to take up directorship in any company (whether in India or abroad) engaged in the same or similar businesses as that of the Company or in a company, business or undertaking which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his/her duties towards the Company. In the event that the Independent Director becomes aware of any potential conflicts of interest, or in case of doubt, he/she should consult the Chairman and Company Secretary of the Company as soon as practicable.

During the term of appointment, an Independent Director shall not serve as

(a) an independent director in more than the prescribed number of companies; and

(b) a committee member of more than the prescribed number of committees including chairmanship of such committees.

During the term of appointment, Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. They are expected to comply with the Company's code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.

During the term of Appointment,

(a) Independent Director will not enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company; and

(b) Independent Director will not enter into any such agreement referred to in (a) above without obtaining the prior approval from the Board of Directors as well as public shareholders of the Company.

- **Obligations and Compliances**

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

1. Confirmation that he is not disqualified to act as a Director of the Company in terms of the Companies Act, 2013;
2. Declaration of Independence in terms of the Companies Act, 2013;
3. Disclosure under the provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company Code for Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, as would be applicable to the Independent Directors;
4. Code of Conduct for Directors of the Company;
5. Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013;
6. Disclosure of change in interest in companies where he is appointed / ceased as a director or Key Managerial Personnel;
7. Confirmation that his directorships in companies do not conflict with the interest of the Company.

- **Confidentiality**

The Independent Director agrees that both during and after the term of appointment, Independent Directors will not use for his/her own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, its holding, subsidiary or associate companies, which he/she may acquire by virtue of his/her position as an independent director of the Company, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

- **Termination**

Independent Directors may resign from their position at any time and if they wish to do so, they are requested to serve a reasonable written notice on the Board. Continuation of their appointment is contingent on getting re-elected by the members in accordance with provisions of Companies Act, 2013, the Rules framed thereunder and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the members do not re-elect them at any time.

Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

- **Performance evaluation of Independent Directors**

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The re-appointment of independent director shall be on the basis of report of performance evaluation.

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 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 time frame.

- **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.

This policy was amended by the Board of Directors on 03rd May, 2024.