

POLICY ON BOARD DIVERSITY

SUN FINLEASE (GUJARAT) LIMITED

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POLICY ON BOARD DIVERSITY

(On the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company at their meeting held on 31st January, 2019)

1. BACKGROUND:

The Securities and Exchange Board of India (“SEBI”) issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the ‘LODR Regulations’) on September 02, 2015, effective from December 01, 2015, with an aim to consolidate and streamline the provisions of existing listing agreements thereby ensuring better enforceability.

The Board of Directors (“Board”) of Sun Finlease (Gujarat) Limited has decided to consider and formulate a policy on diversity of the composition of the Board by the name of Board Diversity Policy (“Policy”). The Policy sets out the approach to have a diversity on the Board of the Company in terms of thought, experience, knowledge, perspective and gender in the Board, based on the applicable laws, rules and regulations applicable to the Company.

This policy on Board Diversity (the “Policy”) for the Board of Directors (the “Board”) of Sun Finlease Gujarat Limited (the “Company”) has been formulated by the Board in accordance with the LODR Regulations, to assure that the Board is fully diversified and comprises of an ideal combination of executive and non-executive directors, including independent directors, with diverse backgrounds.

2. PURPOSE:

This policy is largely framed to address the importance of a diverse Board in harnessing the unique and individual skills and experiences of the members in a way that collectively benefits the organization and business as a whole. The basic essence of the Policy is to provide a framework for leveraging on the differences within the expertise of the Board, offering a broad range of perspectives that are directly relevant to the business.

3. VISION:

The Company recognizes the importance and embraces benefits of having a diverse Board to enhance the quality of its performance.

4. OBJECTIVE:

The objective of this policy is to recognize and embrace the benefits of having a diverse Board which possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company

The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives; including:

- Enhancement of the quality of the performance of the Board;
- Making corporate governance more effective;
- Achievement of sustainable and balanced performance and development in the Company;
- Support the attainment of strategic objectives of the Company; &
- Compliance of applicable law/s and good corporate services.

5. SCOPE:

The Policy applies to the composition of the Board only and does not apply to diversity in relation to the employees of the Company.

6. POLICY STATEMENT:

With a view of achieving competitive advantage, effective corporate governance, sustainable and balanced development, the Company recognizes increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The composition of the Board shall be in accordance with the Articles of Association of the Company, the Companies' Act, 2013, SEBI (LODR) Regulations as well as other statutory, regulatory and contractual obligations of the Company.

7. ROLE OF NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee (“NRC”), inter alia, is responsible for reviewing and assessing the composition of the Board as well as for identifying appropriately qualified candidature(s), to hold Directorship in the Company, to the Board of Directors where and if need be.

While all the appointments to the Board will continue to be made on merit, the committee will consider the benefits of diversity in identifying and recommending persons for Board membership, as well in evaluating the Board and its individual members.

Further, the committee will ensure that no person is discriminated on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute which does not speak of such person’s ability to perform as a Board member.

Accordingly, the committee shall:

- Assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board,
- Make recommendations to the Board in relation to appointments and maintain an appropriate mix of diversity, skills, experience and expertise on the Board and
- Periodically review and report to the Board the requirements, if any, in relation to diversity on the Board.

The Committee shall also review the Board composition in terms of the size of the Board, the composition of executive and non-executive Directors and the composition of independent Directors, each of which shall be in accordance with the requirements of the Articles of Association of the Company, the Companies Act, 2013, SEBI (LODR) and other Statutory / regulatory requirements.

The effective implementation of this policy requires that shareholders are able to judge for themselves whether the Board as constituted is adequately diverse. To this end, the Company shall continue to provide sufficient information to shareholders about the size, qualifications and characteristics of each Board member.

8. MONITORING, TRACKING AND REPORTING:

The Committee shall support laying down a succession plan and drive the understanding of talent across the organization and support development programme for the Board. As a part of the exercise, it will also review and suggest training for directors. Amongst the key requirements is to also plan for the evolution of non-executive directors over the medium term to maintain appropriate mix of skills, age and gender diversity on the Board.

The Committee will conduct an annual review of the policy (including a review of the effectiveness of the Policy), discuss any changes with the Board and ensure that the revisions to the Policy are approved by the Board.

The Company shall provide sufficient information about this policy to its shareholders, and provide information regarding the composition of the Board, the areas of expertise of each director and their qualifications / characteristics, etc. The necessary disclosures about the policy and other details should be made as per the requirements of the Listing Agreement and Companies Act, 2013. The policy shall be made available in the website of the Company.

9. REVIEW OF THE POLICY:

The Nomination and Remuneration Committee will review this Policy, as and when considered necessary, to ensure its effectiveness. The Nomination and Remuneration Committee will discuss any revision in the Policy that may be required, and make appropriate modifications to the policy.

10. AMENDMENTS TO THE POLICY:

The Committee shall review this policy on a periodic basis and recommend appropriate revisions to the Board for consideration and approval. The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s) or any other appropriate Statutory Authority.

11. DISCLOSURE OF THE POLICY:

The Company shall disclose this Policy on its website i.e. (www.sfgl.in.net). The necessary disclosure, if any, about the policy will also be made as per the requirements of SEBI (LODR) Regulations and Companies Act, 2013.