

**NOMINATION
AND
REMUNERATION POLICY**

SUN FINLEASE (GUJARAT) LIMITED

(CIN: L65910GJ1988PLC010293)

Regd. Office: 3, Ravipushp Apartment, B/s. Navneet House, Memnagar, Ahmedabad-380052

Tel.: (079) 27496313 Email: sfgl.1988@gmail.com

NOMINATION AND REMUNERATION POLICY

1. DEFINITIONS:

- a) “Company” means Sun Finlease (Gujarat) Limited (hereinafter referred to as “SFGL”).
- b) “Act” means the Companies Act, 2013.
- c) “Board” means Board of directors of the Company.
- d) “Nomination and Remuneration Committee” means a committee formulate under Section 178 of the Companies Act, 2013 and the rules made thereunder and clause 49 of the listing agreement, hereinafter referred to as “NRC”.
- e) “Human Resource Officer” means the person appointed for such designation, hereinafter referred to as “HRO” and if not appointed then Chairman of the Nomination and Remuneration Committee can perform such roles on behalf of the Company.
- f) “Director” means the Directors of the Company.
- g) “Key Managerial Personnel” means persons as referred in section 2(51) of the Act, hereinafter referred to as “KMP”.
- h) “Independent Director” means a director referred to in Section 149(6) of the Act and clause 49 of the Listing Agreement.
- i) “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- j) “Senior Management Personnel” means personnel of the Company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- k) “Policy or the Policy” means the Policy on Nomination, Removal, Remuneration, Evaluation and criteria for determining qualification positive attributes and Independence of directors.

2. OBJECTIVES:

The objective of this Policy is to guide the Board of Directors of the Company on:

- a) Identify persons , who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,

recommended to the board their appointment and removal and shall carry out evaluation of every director's performance.

- b) Remuneration payable to the Directors and/or KMP and/or employees in Senior Management Personnel;
- c) Criteria for determining qualification, positive attributes and independence of Directors.

3. POLICY:

- a) Appointment and removal of Directors and/or KMP and/or Senior Management Personnel:
 - i) The NRC shall have the responsibility and authority to decide the essential and desirable skills/ competence/ expertise/ experience/ criteria of independence required from the individuals for the office of Directors and/or KMP and/or Senior Management Personnel.
 - ii) The expertise required from the Directors and/or KMP and/or Senior Management Personnel would be defined on the Company's strategy and needs.
 - iii) The NRC shall review the criteria for the role and define the role specification for the appointment.
 - iv) A director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity. Director shall act objectively and constructively and exercise his/ her responsibilities in a bona-fide manner in the interest of the Company.
 - v) The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms.
- b) Identification for Appointment of Directors and/or KMP and/or Senior Management Personnel:
 - i) The NRC may assign the responsibility of identifying the candidate for the final communication by the NRC to the following:
 - To HRO/ Chairman of NRC, for the selection of the Directors/ Managing Director/ Whole time Director/ KMP/ Senior Management Personnel.
 - ii) The above mentioned designated person shall identify member(s) of the Board who will communicate with candidate and recommend to the NRC.
 - iii) Upon selection of the candidate, the NRC shall make a final recommendation to the Board for appointment of Directors and/or KMP and/or Senior Management Personnel.
 - iv) The appointment of Directors and/or KMP shall subject to the compliance of the Act, Clause 49 of the listing agreement and Articles of Association of the Company.
- c) Terms of Appointment:

The terms of the appointment of Directors and/or KMP and/or Senior Management Personnel shall be governed by the provisions of the Act and Clause 49 of the Listing Agreement.

d) Appointment of Independent Directors:

- i)** The appointment of Independent Directors shall be formalized through a letter of appointment to be issued by the Company in accordance with the applicable laws.
- ii)** The candidate shall be evaluated based in the criteria provided under the applicable laws including the Companies Act, 2013 read with rules made thereunder and the listing agreement with the stock exchange. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relative to a Director's independence. The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such director as per the provisions of the Companies Act, 2013.
- iii)** The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate.

e) Removal of Directors and/or KMP and/or Senior Management Personnel:

The removal of Directors and/or KMP and/or Senior Management Personnel may be warranted due to reasons such disqualification prescribed under the applicable laws.

f) Retirement of Directors and/or KMP and/or Senior Management Personnel:

The retirement age of the Directors or KMP or Senior Management shall be as per the provisions of the applicable laws.

g) Remuneration of Directors and/or KMP and/or Senior Management Personnel:

- **Remuneration to Executive Director(s):**

- i)** The remuneration payable to Executive Director(s) shall be determined by the NRC and recommend to the Board for approval. Such remuneration (including revision thereof) shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required under the Act, Clause 49 and the Article of Association of the Company.
- ii)** The remuneration shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Clause 49 and the Article of Association of the Company.

- **Remuneration to Non-executive Director(s):**

- i)** The remuneration (including revisions thereof) payable to the Non-executive Director(s) shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Clause 49 and the Article of Association of the Company.

- ii) The NRC shall determine the remuneration to Non-executive director(s) including the mode, quantum, recipients of the remuneration and the frequency of payment of such remuneration, and recommend the same to the Board for approval.
 - iii) The remuneration of Non-executive director(s) may comprise commission, sitting fees for attending the meeting the Board and its committees.
 - iv) The remuneration of Non-executive director(s) (including revision thereof) shall be based on certain financial parameters like the performance of the Company, its market capitalization, etc. role of the Director and such other relevant factors.
- Remuneration to KMP and/or Senior Management Personnel:
 - i) For appointment to the office of KMP and/or Senior Management Personnel, the NRC shall approve the remuneration and recommend the same to the Board for its approval.
 - ii) Remuneration paid to the KMP and/or Senior Management Personnel shall be subject to the provisions of the applicable laws.

h) Board Evaluation:

The Board is committed to assessing its own performance as a Board in order to identify its strength and the areas in which it may improve its functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of individual directors, chairman of the Board, the Board as a whole and the committees of the Board and recommend the same to the Board.

4. REVIEW:

The NRC will review the Policy from time to time keeping in view the statutory requirement and need of the organization and recommend the same to the Board for their approval.