



**SUNGOLD**  
CAPITAL LIMITED

# **NOMINATION AND REMUNERATION POLICY**

# SUNGOLD CAPITAL LIMITED

## NOMINATION AND REMUNERATION POLICY

This Policy has been laid down on the recommendations of the Nomination and Remuneration Committee of the Board, and is in compliance with the requirements of Section 178 of Companies Act, 2013 including Companies (Amendment) Act, 2017 and Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 [Listing Regulations].

### 1. OBJECTIVES

The Policy lays down the: (i) Criteria for determining inter-alia qualification, positive attributes and independence of Directors for their appointment on the Board of the Company; (ii) Criteria for payment of remuneration to Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other Employees of the Company.

### 2. DEFINITIONS

- I. **“Board”** means Board of Directors of the Company.
- II. **“Company”** means “Sungold Capital Limited.”
- III. **“Employees’ Stock Option”** means the option given to the Directors, Officers or Employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.
- IV. A **‘fit and proper’** person shall mean an individual who is:
  - a. more than thirty years in age;
  - b. a graduate;
  - c. has minimum five years experience;
  - d. a person of integrity, reputation and character in the opinion of the Committee;
- V. **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- VI. **“Key Managerial Personnel” (KMP)** means
  - a) Chief Executive Officer or the Managing / Executive Director or the Manager,
  - b) Company Secretary,
  - c) Whole-time Director,

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- d) Chief Financial Officer and
  - e) 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
  - f) Such other officer as may be prescribed
- VII. **“Committee”** shall mean the Nomination & Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.
- VIII. **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”
- IX. **“Managerial Person”** means the Managing Director, Whole-time Director and/or Manager.
- X. **“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.
- XI. **“Senior Management”** means officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Chief Executive Officer / Managing Director / Whole-time Director / Manager (including Chief Executive Officer / Manager, in case they are not a part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

## 3. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Act, 1992, Listing Regulations as notified by the Securities and Exchange Board of India from time to time.

## 4. APPOINTMENT AND REMOVAL OF MANAGERIAL PERSON, DIRECTOR, KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

### i. Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel who may be qualified to become directors and recommend to the Board his / her appointment.

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b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the designated position.

c) With respect to appointment of a Senior Management Personnel other than the one mentioned above, the Human Resource Department with the consultation / advice / recommendations of the respective Functional Heads / Promoter Director of the Company, as the case may be, can decide on their appointments and the same need not be recommended to the Committee/Board as the case may be.

## **ii. Term / Tenure:**

a) Managing Director/Whole-time Director/Manager (Managerial Personnel): The Company shall appoint or re-appoint a person as its Managerial Person for a term not exceeding five years at a time by passing of a resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report. No reappointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

i. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company 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.

ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

iii. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Term can be for a maximum period of five years.

iv. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to 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 of the Company

## **iii. Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 ('Act') and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

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## **iv. Retirement:**

The Managerial Person, Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **5. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

### **i. Remuneration to Managing Director / Whole-time Directors:**

The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **ii. Remuneration to Non- Executive / Independent Directors:**

The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

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- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

### **iii. Remuneration to Key Managerial Personnel and Senior Management:**

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive any, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

## **6. DISQUALIFICATION FOR APPOINTMENT OF DIRECTORS**

- i. A person shall not be eligible for appointment as director of the company if:
  - a) he is of unsound mind and stands so declared by a competent court;
  - b) he is undischarged insolvent;
  - c) he has applied to be adjudicated as an insolvent and his application is pending;
  - d) he has been convicted by a court of any offence, weather involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company:

- 1) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order in force;
- 2) he has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;
- 3) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- 4) he has not complied with sub-section (3) of section 152 of the Companies Act, 2013.

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- ii. A person who has been a Director of the company which:
  - a) has not filed financial statements or annual returns for any continuous period of three financial years; or
  - b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay dividend declared and such failure to pay or redeem continues for one year or more, shall be ineligible to be appointed as a director of the Company for a period of five years from the date on which the other company fails to do so.
- iii. A person shall not be eligible for appointment and continuance as a Director, if he / she is not found 'fit and proper' by the Committee.

## 7. DEVIATIONS FROM THE 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.

## 8. DISCLOSURES IN THE BOARD REPORT

The disclosures as required under the relevant provisions of the Companies Act, 2013, the rules made there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be made with regard to the remuneration details of the Directors, KMPs, Senior Management and other employees.

## 9. AMENDMENTS

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board. This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013 and rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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