



SUNGOLD
CAPITAL LIMITED

**CRITERIA/POLICY OF MAKING PAYMENTS
TO NON-EXECUTIVE DIRECTORS**

SUNGOLD CAPITAL LIMITED

INTRODUCTION

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as SEBI (Listing obligations and disclosure requirements) Regulations, 2015 ("Listing Regulations, 2015"), the role of Non - Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Levels of remuneration to the NEDs are determined such that they attract, retain and motivate directors of the quality and ability required to run the Company successfully.

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, 2015, every company requires to publish its criteria of making payments to NEDs in its annual report. Alternatively, this may be put up on the company's website and reference may be drawn thereto in its annual report. Section 197 of the Companies Act, 2013 requires the prior approval of the shareholders of a company for making payment to its NEDs.

In keeping with the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following.

REMUNERATION / COMMISSION

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there under. Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.

SITTING FEES

Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members). The payment of sitting fees will be recommended by the NRC and approved by the Board. Quantum of sitting fees may be subject to review on a periodic basis, as required provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

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COMMISSION

Company will not pay commission to these NEDs'.

STOCK OPTIONS

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

REFUND OF EXCESS REMUNERATION PAID

If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior approval, where it is required, such remuneration shall be refunded to the Company.

REIMBURSEMENT OF ACTUAL EXPENSES INCURRED

NEDs may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/ Committee Meetings.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of NEDs.
