



SUN RETAIL LIMITED

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Nomination and remuneration policy

1. Introduction

In pursuance of the company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the stock exchange (as amended from time to time) this policy on nomination and remuneration of Directors, KMP and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

2. Constitution

The board of directors of the Company (the Board) shall constitute the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.

3. Objective

The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP and senior management personnel.

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Formulation of criteria for evaluation of Independent Director and the Board.
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

4. Definitions

- a) "**Act**" means Companies Act, 2013;
- b) "**Board**" means Board of Directors of the Company.
- c) "**Directors**" means Directors of the Company.
- d) "**Company**" means Sun Retail Limited.

- e) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- f) **“Key Managerial Personnel” or “KMP”** means-
 - (i) Chief Executive Officer or the managing director or the manager
 - (ii) Company Secretary;
 - (iii) Whole-time director
 - (iv) Chief Financial Officer;
 - (v) such other officer as may be prescribed.
- g) **“Nomination and Remuneration Committee” or “NRC”** means the committee set-up under section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR entered into by the Company with the stock exchange.
- h) **“Senior Management”** means The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein

5. **Effective Date of The Policy**

The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on December 28, 2017 This policy shall be operational with immediate effect.

6. **Applicability**

- a. Directors (Executive and Non-Executive)
- b. Key Managerial Personnel
- c. Senior Management Personnel

7. **Remuneration Policy**

The Committee will recommend to the Board for their approval for the remuneration/ compensation/commission/ to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel.

The Company shall pay remuneration commensurate with comparable industry standards to all the employees/directors covered by the policy. The Company shall ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

a) Remuneration to Managing/ Whole-time / Executive Director, KMP and Senior Management Personnel:

The Remuneration/ compensation/ commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

b) Remuneration to Non- Executive / Independent Director

The Non - Executive Independent Director may receive remuneration / compensation / commission as per the conditions mentioned in the Articles of Association of the Company and may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

8. Monitoring and Supervision

The NRC shall monitor and supervise compliance by the Company with the terms and conditions of the policy.

9. Review & Amendment

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as circumstances warrant