

Walchandnagar Industries Limited

Nomination and Remuneration Policy

(Effective from April 1, 2019)

The Remuneration Committee of Walchandnagar Industries Limited ("the Company") was constituted on 10-03-2003 consisting of three Independent Directors and the same was reconstituted by the Board from time to time. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board of Directors vide Circular Resolution dated 18/04/2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

1. OBJECTIVE :

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements), Regulation, 2015.

The Key Objectives of the Committee would be:

- a) to formulate guidelines in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS :

(a) Key Managerial Personnel: Key Managerial Personnel means—

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary,
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer;
- (v) 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
- (vi) such other officer as may be prescribed.

(b) Senior Management: Senior Management means officer or personnel of the company who are members of its core management team excluding Board of Directors. This would also include 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 part of the board) and shall specifically include company secretary and chief financial officer and functional heads.

3. ROLE OF COMMITTEE :

The role of the Committee inter alia will be the following:

- a) to formulate criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board of Directors a policy relating to remuneration of the Directors, Key Managerial Personnel and Other employees.
- b) to recommend to the Board the appointment and removal of Senior Management.
- c) formulate criteria for evaluation of Performance of Independent Directors and Board of Directors and shall specify the manner for effective evaluation of performance of Board , its Committees and individual directors to be carried out by the Board, by Nomination and Remuneration committee or by an Independent External Agency and review its implementation and compliance .
- d) 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.
- e) to devise a policy on Board diversity.
- f) to develop a succession plan for the Board and to regularly review the plan and to identify persons who can be appointed as Directors.
- g) to decide on extension or continuation of the term of appointment of Independent Director on basis of report of Performance evaluation of Independent Directors.
- h) recommend to the board, all remuneration, in whatever form, payable to senior management.
- i) to ensure 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.

4. MEMBERSHIP :

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members or 1/3rd of the members of the Committee whichever is greater, including atleast one Independent Director in attendance shall constitute the quorum for the committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN :

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee may be present at the Annual General Meeting to present and answer the shareholders' queries, however it shall be upto the chairperson to decide who shall answer the queries.

6. FREQUENCY OF MEETINGS :

The meeting of the Committee shall be held at such regular intervals as may be required. However the committee shall meet at least once in a year

7. COMMITTEE MEMBERS' INTERESTS :

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY :

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING :

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

10. NOMINATION DUTIES :

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013 and SEBI Guidelines;

- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f) Developing a succession plan for the Senior Management and regularly reviewing the plan;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j) Recommend any necessary changes to the Board.
- k) Considering any other matters as may be requested by the Board.

11. REMUNERATION DUTIES :

The duties of the Committee in relation to remuneration matters include:

- a) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.
- c) to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- d) to consider any other matters as may be requested by the Board.
- e) to consider and recommend to the Board for Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING :

Proceedings of all meetings must be entered in the minute's book within 30 days of the meeting and signed by the Chairman of the Committee. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.
