

Terms and Conditions of Appointment of Independent Directors

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”)
and clause 49 of the Listing Agreement]

The principle terms and conditions of appointment of Independent Directors are furnished hereunder:

1. Appointment

The process of appointment of Independent Directors shall be independent of the Company Management; while selecting Independent Directors, the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

- 1.1 The appointments of Non-Executive Independent Directors on the Board of Directors of WPIL Limited (WPIL) are made for a term of five years and are approved at the meeting of the Shareholders. The appointment is made subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement.
- 1.2 The Independent Directors will not be liable to retire by rotation.
- 1.3 The terms Independent Directors are in consonance to the definition provided under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.
- 1.4 The appointment and tenure of Independent Directors are in conformity with the provisions of the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will not serve for more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage Non-Executive Independent Directors earlier subject to compliance of relevant provisions of Companies Act, 2013.
- 1.5 The Independent Directors as an individual shall ensure that he does not become disqualified to act as a Director pursuant to the provisions of Section 164 of the Companies Act.

2. Committees

Currently the Board has six committee which consists of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Share Transfer Committee and Risk Management Committee. The Board is responsible for constituting, and formulating the terms of reference of each committee. The Chairperson of the Board in consultation with the Committee Chairperson determines the frequency and duration of the committee meetings.

The Board of Directors (the Board) may, if it deems fit, reconstitute the composition of any / all committees or set up Committee in future, from time to time; and any such change shall be promptly communicated to Independent Directors.

3. Time Commitment

The Independent Directors are expected to bring objectivity and independent judgment to the Board's deliberations on the issue of Company's strategy, performance and risk management, key appointment and standard of conduct and also ensure high standards of financial probity and corporate Governance. The Board meets at least four times in a year. The Audit Committee and Stakeholders' Relationship Committee also meet at least four times in a year. Besides, there are other Committee meetings comprising Share Transfer Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee which are convened as and when need arises. The Independent Directors will be expected to attend Board, Committees meetings and Shareholders meetings and to devote such time as may be considered necessary to discharge duties effectively. Generally, all meetings are held in Kolkata.

4. Role, Duties and Responsibilities:

The role and duties of Independent Directors of Company will be those as have been provided under the Companies Act, 2013. As a member of the Board, Independent Directors along with the other Directors will be collectively responsible for meeting the objectives of the Board after assigning due cognizance to the following spheres.

- ⤴ Requirements under the Companies Act, 2013
- ⤴ “Responsibilities of the Board” as outlined and as amended from time to time, in the Corporate Governance requirement as prescribed by the Stock Exchanges under Clause 49 of the Listing Agreement
- ⤴ Accountability under Directors' Responsibility Statement
- ⤴ Overseeing the maintenance of high standards of Company's values and ethical conduct of business

The Independent Directors while discharging duties are expected to:

- i. take decisions objectively and solely in the interests of the Company;
- ii. facilitate Company's adherence to high standards of ethics and corporate behaviour;
- iii. guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
- iv. guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;

- v. guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

5. Remuneration

The Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees in which he is a member. Besides, Independent Directors along with other non-Executive Directors are also entitled to receive commission upto 1% of the Net Profit of the Company in lieu of their service rendered to the Company. However, Independent Directors shall not be entitled to any stock options.

6. Reimbursement of Expenses

Further the Company may pay or reimburse to Independent Directors such fair and reasonable expenditure, as may have been incurred by them while performing their role as Independent Directors of the Company. This could include reimbursement of expenditure incurred by Independent Directors for attending Board / Committee Meetings, Annual General Meetings, Extraordinary General Meetings,

7. Conflict of Interest

Independent Directors may have business interests other than those of the Company. They are required to disclose such interest at the time of their appointment. In the event they acquire any interest after the appointment which conflicts with the business of the Company or which precludes them forming independent judgment, they must disclose such interest at the Board Meeting held after acquiring such interest.

8. Confidentiality

All information acquired during tenure of appointment is confidential to WPIL and should not be disclosed, either during appointment or following termination (by whatever means) to third parties without prior consent from the Board of Directors unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, Independent Directors shall surrender any documents and other materials made available to him by WPIL.

9. Separate Meeting

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of Management to review and assess

- i) the performance of Non-Independent Directors and the Board as a whole;

- ii) the performance of the Chairperson of the Company after taking into views of executive and non-executive directors.;
- iii) the quality, quantity and timeliness of flow of information between the Company Management and Board that is necessary for the Board to effectively and reasonably perform their duties.

10. Performance Appraisal / Evaluation Process

As a member of the Board, Independent Directors performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each Director shall be done by all the other Directors excluding the director being evaluated. The criteria for evaluation of each Director shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. Indicative lists of factors that may be evaluated as part of the process are:

- ⤴ Participation and contribution by a Director
- ⤴ Commitment (including guidance provided to senior management outside of Board / Committee meetings)
- ⤴ Effective deployment of knowledge and expertise
- ⤴ Effective management of relationship with stakeholders
- ⤴ Integrity and maintenance of confidentiality
- ⤴ Independence of behaviour and judgement
- ⤴ Impact and influence

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of Independent Directors.

11. Termination

The resignation or removal of an Independent Director shall be in the same manner as are provided in the sections 168 and 169 of the Act.