

# **NOMINATION AND REMUNERATION POLICY**

## **BANSAL WIRE INDUSTRIES LIMITED**

### **INTRODUCTION**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy has been formulated by the Nomination and Remuneration Committee (NRC or the Committee).

### **OBJECTIVE**

The Key Objectives of the Committee would be:

- To guide / recommend to the Board in relation to appointment and removal of Directors, KMP and Senior Management of the Company.
- To recommend to the Board the Remuneration payable to the Directors, KMP, Senior Management of the Company.
- To recommend reward(s) payable to the KMP and Senior Management linked directly to their effort, performance, dedication and achievement relating to the Company's operations
- To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To do such other acts / deeds as may be prescribed by the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or such other applicable law, rule, regulation that may apply on company from time to time or by any statutory authority or regulatory body or by Central Government.

### **TERMS AND REFERENCES**

In this policy, the following terms shall have the following meaning:

- **“Act”** means The Companies Act, 2013 and rules made thereunder, as amended from time to time.
- **“SEBI (LODR) Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- **“Company”** means Bansal Wire Industries Limited.
- **“Board”** means Board of Directors of Bansal Wire Industries Limited.
- **“Committee”** means Nomination and Remuneration Committee of the Company as constituted by the Board from time to time.

- **“Key Managerial Personnel” or “KMP”** means
  - the Chief Executive Officer or the managing director or the manager
  - the company secretary
  - the whole-time director
  - the Chief Financial Officer
  - 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
  - such other officer as may be prescribed under the Companies Act, 2013
  
- **“Senior Management”** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer

## **ROLE OF COMMITTEE**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
  
- For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - (i) use the services of any external agencies, if required.
  - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity and
  - (iii) consider the time commitments of the candidates.
  
- Formulation of criteria for evaluation of performance of independent directors and the Board.
  
- Devising a policy on Board diversity.
  
- Review and discuss with the Board corporate succession plans for Directors and Senior Management
  
- Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report.
  
- Analysing, monitoring and reviewing various human resource and compensation matters.
  
- Recommending to the Board the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary).

- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended.
- Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme.
- Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable.
- Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.
- Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

## **CRITERIA FOR DETERMINING**

### **❖ Appointment criteria and qualifications:**

#### **General Criteria:**

- The Committee shall consider the ethical standards of integrity, qualification, expertise and experience of the person for appointment as Director, Independent Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- The Company should ensure that the person so appointed as Director, Independent Director, KMP, Senior Management Personnel shall not be disqualified under the Act, rules made thereunder, SEBI (LODR) Regulations or any other enactment for the time being in force.
- The Director, Independent Director, KMP, Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, SEBI (LODR) Regulations or any other enactment for the time being in force.

### **Specific Criteria:**

- The Company shall not appoint or employ at the same time a managing director and a manager.
- The Company shall not appoint or continue the employment of any person as Managing Director / Manager / Whole-time Director who is below the age of twenty-one years or has attained the age of seventy years.

Provided that the appointment of a person who has attained the age of seventy years or term of such person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- At the time of appointment of a Director it should be ensured that number of Boards on which such Director serves as a Director, including an alternate directorship, is restricted to twenty companies (including not more than ten public companies).
- An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- Any vacancy in the office of independent director shall be filled by appointment of a new independent director within the prescribed period under the Act and/or SEBI (LODR) Regulations.

Provided that where the company fulfils the requirement of independent directors in its Board even without filling the vacancy, the requirement of replacement by / appointment of a new independent director shall not apply.

### **❖ Term / Tenure**

**Managing Director / Whole-time Director / Manager:** The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry his term.

### **Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years 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.
- 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. 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.

#### ❖ **Removal**

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

#### ❖ **Retirement**

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

### **REMUNERATION POLICY**

- The Remuneration to be paid to Managing Director / Whole-time Directors, etc. is 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.
- The 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.
- Any remuneration paid to Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause above if the following conditions are satisfied:
  - 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.
- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

### **REVIEW/AMENDMENTS**

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.