



WeP SOLUTIONS LIMITED

NOMINATION, COMPENSATION AND POLICY FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, BOARD DIVERSITY, BOARD EVALUATION AND INDEPENDENCE OF A DIRECTOR.

(Framed under Section 178(3) of Companies Act, 2013 and Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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This Nomination, Compensation and Evaluation Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of WeP Solutions Limited (the “Company”).

1. DEFINITIONS

“Director” means a Director appointed to the Board of the Company;

“Independent Director” shall have the meaning as defined under the Companies Act, 2013 read with relevant Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

“Key Managerial Personnel” (“KMP”) shall have the meaning as defined under the Companies Act, 2013 read with relevant Rules made thereunder, as amended from time to time and any other applicable provisions for the time being in force.

“Managing Director” shall have the meaning as defined under the Companies Act, 2013 read with relevant Rules made thereunder, as amended from time to time and any other applicable provisions for the time being in force.

The term **“Senior Management Personnel”** to include such officers / personnel, as may be determined by Board/ NRC, who are members of core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer / Managing Director / Whole-time Director(s) / 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.

In reference to the Company, the Senior Management Personnel would refer to personnel occupying the positions identified by Board / NRC, as per the organizational framework of the Company.

“Whole-time Director(s)” includes a Director in the whole-time employment of the Company and shall have the meaning as defined under the Companies Act, 2013 read with relevant Rules made thereunder, as amended from time to time and any other applicable provisions for the time being in force.;

Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 (**“the Act”**) read with relevant Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“the Listing Regulations”**) or other relevant provisions as may be applicable, as amended from time to time.

This Policy complies with Section 178 of the Act read with the applicable Rules thereto and the Listing Regulations, as amended from time to time.

2. PURPOSE

The primary objective of the Policy is to provide a framework and set a standard for the nomination, remuneration and evaluation of the Directors, KMP and Senior Management Personnel. The Company aims to achieve a balance of merit, experience and skill amongst its Directors, KMP and Senior Management Personnel.

The objectives of the policy would be :

- a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed or re-appointed as KMP and Senior Management Personnel and such other positions as may be decided and to determine their remuneration and recommend to the Board about appointment, re-appointment and removal of Directors and KMP.
- b) To determine remuneration based on the Company's size and financial position, and trends and practices on remuneration prevailing in peer companies.
- c) Recommend to the Board, the remuneration of the Directors, KMP, Senior Management Personnel and other employees.
- d) To establish framework for evaluation of the performance of Directors, including Independent Directors, Committees of the Board and Board as a whole.
- e) To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage.
- f) To devise a policy on Board Diversity.
- g) Whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.

3. ACCOUNTABILITY

The Board is ultimately responsible for the appointment, re-appointment and removal of Directors, KMP and Senior Management Personnel.

The Board has delegated responsibility for assessing and recommending the candidates for the role of Directors, KMP and laying down the criteria for selection of the Senior Management Personnel to the Committee, which makes recommendations to the Board.

4. NOMINATION AND COMPENSATION COMMITTEE (“NRC”)

COMPOSITION:

As per Reg.19 of SEBI (LODR):

(1) The board of directors shall constitute the nomination and remuneration committee as follows:

- (a) the committee shall comprise of at least three directors.
- (b) all directors of the committee shall be non-executive directors; and
- (c) at least two-thirds of the directors shall be independent directors.

(2) The Chairperson of the nomination and remuneration committee shall be an independent director

Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.

CHAIRPERSON:

The Chairperson of the Committee shall be an Independent Director.

The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee.

In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

Chairperson of the Committee meeting or any other person authorized by him shall be present at the Annual General Meeting to answer the shareholders’ queries.

COMMITTEE MEMBERS’ INTERESTS:

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.

The Committee may invite such executives, as it considers appropriate, to participate at the meetings of the Committee.

MEETING:

The NRC shall meet at least once in a year.

The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance

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. In the case of equality of votes, the Chairperson of the meeting will have a casting vote.

GENERAL:

Membership of the Committee shall be disclosed in the Annual Report.

Term of the Committee shall be continued unless terminated / dissolved by the Board of Directors.

5. NOMINATION AND REMUNERATION COMMITTEE – RESPONSIBILITY

The Nomination and Compensation Committee of the Company, inter – alia, evaluates, recommends to the Board and approves the Executive Directors compensation plans, policies and programmes of the Company. Nomination and Compensation Committee also has the responsibility for administering Employees Stock Option Plan 2011 (ESOP – 2011 and ESOP-2016) of the Company.

The Nomination and Compensation Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Compensation Policy:

1. To formulate the criteria for determining qualifications, positive attributes and Independence of a Director, and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
2. For every appointment of an independent director, the Nomination and Remuneration 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.
3. 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:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates
4. Formulation of criteria for evaluation of performance of independent directors and the board of directors.

5. Devising a policy on diversity of board of directors
6. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
7. 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.
8. Recommend to the board, all remuneration, in whatever form, payable to senior management.
9. Deciding the terms and conditions of Employees Stock Option Plan (ESOP) which inter – alia, include the following:
 - a) Quantum of options to be granted under the Scheme per employee and in aggregate;
 - b) Vesting Period;
 - c) Conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
 - d) Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - e) Specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - f) The right of an employee to exercise all options vested in him at one time or various points within the exercise period;
 - g) Forfeiture / Cancellation of options granted;
 - h) All other issues incidental to the implementation of Employees Stock Option Plan.
 - i) To issue grant letters.
 - j) To allot shares upon exercise of vested options Compensation Policy

The compensation paid to Executive Director of the Company is approved by the Board of Directors on the recommendations of the Nomination and Compensation Committee.

- Non-Executive Directors (including Independent Directors) Non-Executive Directors (including Independent Directors) receives compensation by way of sitting fees for attending meeting of Board or Committee thereof. Independent Directors are not entitled to stock option of the Company.

- Executive Director Remuneration to Executive Director consists of Profit Linked Commission in accordance with the provisions of Section 197 of the Companies Act 2013, as approved by the Board and within the overall limits prescribed by the Companies Act 2013.

6. POSITIVE ATTRIBUTES AND QUALIFICATIONS OF DIRECTORS / KMPs / SENIOR MANAGEMENT PERSONNEL

When recommending a candidate for appointment or re-appointment, the Committee shall have regard to the following qualifications and positive attributes:

- a) assessing the appointee against a range of criteria which includes but not limited to qualifications, skills, industry experience, background and other qualities required to operate successfully in the position;
- b) the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company; in case of KMPs and Senior Management Personnel their contribution towards effectiveness of the organization as a whole would be considered;
- c) the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- d) ability of the appointee to represent the Company;
- e) ability to work individually as well as a member of the Board and senior management;
- f) influential communicator with power to convince other in a positive way;
- g) ability to participate actively in deliberation and group processes;
- h) have strategic thinking and facilitation skills;
- i) act impartially keeping in mind the interest of the Company on priority basis;
- j) Personal specifications:
 - Educational qualification;
 - Experience of management in a diverse organization;
 - Interpersonal, communication and representational skills;
 - Demonstrable leadership skills;
 - Commitment to high standards of ethics, personal integrity and probity;

- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace.

7. INDEPENDENCE OF A DIRECTOR

The key role of an Independent Director is to provide an unbiased, varied and experienced perspective to the Board. While evaluating the candidature of a Director, the Committee abides by the criteria for determining Independence as stipulated under the Act, Listing Regulations and other applicable regulations or guidelines, as amended from time to time.

The Committee takes a broad perspective with respect to Independence and takes into consideration not only the dealings, transactions, relationships with the concerned Individual Director(s) but also with the relatives, as defined in Section 2(77) of the Act, and affiliated entities and organizations.

The Committee, along with the Board, regularly reviews the skill and characteristics required from the Board & Individual Directors. One of the prime objectives of this exercise is to identify competency gaps in the Board and make suitable recommendations. The objective is to have a Board of diverse background and experience in business, technology, governance and areas that are relevant for the Company.

Besides considering all other qualifications w.r.t to talent, relevant professional experience, proven track-record of performance and achievement, ethics and integrity and the ability to bring in fresh and independent perspectives, the Committee objectively evaluates whether an individual can dispassionately discharge the statutory functions of a Director as enshrined in the Act and Listing Regulations.

8. BOARD DIVERSITY

The Board shall consist of such number of Directors including at least one-woman independent director as is necessary to effectively manage a company. The Board shall have an optimum combination of Executive and Independent Directors.

The Nomination and Compensation Committee will lead the process for Board appointments. All Board appointments will be based on meritocracy in the context of the skills, experience, independence and knowledge, which the Board as a whole requires to be effective.

The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. The Company believes that increased diversity in Board is associated with better financial performance, greater innovation and has a positive impact on the Company.

9. LETTERS OF APPOINTMENT

Each Director, including Executive Directors, Independent Directors, KMPs and Senior Management Personnel are required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

The term / tenure of the Directors including Executive Directors and Independent Directors shall be in accordance with the applicable laws.

10. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

The Committee will determine individual remuneration packages for Directors and lay down criteria for deciding upon the remuneration of KMPs and Senior Management Personnel of the Company, taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

The core factors taken into consideration are:

- 1) Industry practice and benchmarks;
- 2) Long-term value creation.
- 3) Reward achievement of results on the basis of prudent practice, responsibility and risk-taking abilities.
- 4) Attract and retain and motivate the best professionals.
- 5) Reward the experience and professional track-record.
- 6) Ensure equity within the Group and competitiveness outside it.
- 7) Ensure transparency in its remuneration policy

FOR EXECUTIVE DIRECTORS (MANAGING DIRECTOR(S) AND WHOLE-TIME DIRECTOR(S):

Section 197(1) of the Act provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company for that financial year computed in the manner laid down in Section 198 in the manner as prescribed under the Act.

The Company, with the approval of the shareholders by way of special resolution, may authorise the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of Schedule V of the Act.

The Company may, with the approval of the shareholders by way of special resolution, authorise the payment of remuneration up to five percent of the net profits of the Company to its any one Managing Director / Whole-Time Director / Manager and ten percent in case of more than one such officer.

The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

FOR NON-EXECUTIVE DIRECTORS:

The Company may pay remuneration to its directors, other than Managing Director(s) and Whole Time Director(s) up to one percent of the net profits of the Company, if there is a managing director or whole-time director or manager and three percent of the net profits in any other case.

Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members.

The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

GENERAL:

The remuneration payable to the Directors shall be as per the Company's Policy and shall be valued as per the Income Tax Rules.

The remuneration payable to Directors shall be subject to the approval of Shareholders, if required, as per the provisions of applicable laws. The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Act.

The Company may opt for Directors including Independent Directors & Officers Liability Insurance, in accordance with the Policy.

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

FOR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

The remuneration payable to the KMPs and the Senior Management Personnel shall be as per the criteria decided by the Committee having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

The remuneration, in whatever form, payable to senior management will be recommended to the Board by the Committee

FOR OTHER EMPLOYEES

The policy for determination of the remuneration of employees other than Directors, KMPs and Senior Management Personnel shall be as per the normal process followed by the Company.

11. EVALUATION / ASSESSMENT OF BOARD / COMMITTEE OF THE BOARD

The Committee shall undertake a formal and rigorous annual evaluation of the Board, including its Committees and Individual Directors. The evaluation of performance of the Board shall be independent and objective and should take into account the overall impact of their functioning on the Company and its Stakeholders.

Besides the performance evaluation of Individual Directors, evaluation of the performance of the Committees and the Board as a whole is also required to be conducted.

The performance evaluation shall be undertaken on yearly basis.

PERFORMANCE REVIEW OF THE DIRECTORS:

The Committee is required to establish mechanism for Performance Evaluation and Assessment of the Directors including the Independent Directors. The evaluation / assessment of the Directors of the Company is to be conducted on an annual basis to cater to the requirements of the Act and the requirements of the Listing Regulations.

The following criteria may assist in determining how effective the performances of the Directors have been:

- a) Leadership qualities contributing to corporate objectives & plans;
- b) Communication of expectations & concerns clearly with colleagues;
- c) Obtain adequate, relevant & timely information from external sources;
- d) Review & approval achievement of strategic and operational plans, objectives, budgets;
- e) Regular monitoring of corporate results against projections;
- f) Identify, monitor & mitigate significant corporate risks;
- g) Assess policies, structures & procedures;
- h) Effective meetings;
- i) Assuring appropriate board size, composition, independence, structure;
- j) Clearly defining roles & monitoring activities of committees; and
- k) Review of organization's ethical conduct.

The Committee shall finalize a series of assessment questionnaire to enable such evaluation being conducted. Once the assessment is completed, the Committee shall evaluate such assessments.

The Company may engage external consultants / agencies to provide assistance in the evaluation process. Further, the Committee needs to review the implementation and compliance of evaluation process

PERFORMANCE REVIEW BY INDEPENDENT DIRECTORS:

In accordance with the mandate given under the Act & Listing Regulations, Independent Directors will hold at least one separate meeting without the attendance of non-independent directors and members of management.

The Independent Directors, in the meeting, shall:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; (c) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

PERFORMANCE EVALUATION OF THE COMMITTEES:

Performance Evaluation of the respective Committees shall be done by the Board. The performance evaluation shall be undertaken on an annual basis.

12. SUCCESSION PLANNING

The Company recognizes the need of a formal, proactive process, which can assist in building a leadership pipeline / talent pool to ensure continuity of leadership for all critical positions.

Succession Planning involves assessment of challenges and opportunities facing the Company, and an evaluation of skills and expertise that would be required in future.

The Nomination and Compensation Committee will work with the Board to develop plans and processes for orderly succession to the Board and Senior Management.

The Committee shall endeavor to develop a diverse pool of candidates who may be considered to fill the gap in Board positions or Senior Management in case of any eventuality.

The Committee would ensure that the Company is prepared for changes in Senior Management, either planned or unplanned. Succession Planning Process would cover identification of internal candidates, development plans for internal candidates, and identification of external candidates.

The Committee would also assist in formulating an emergency succession contingency plan for unforeseen events like death, disability etc.

The Board will periodically monitor the review and monitor the succession planning process.

13. REVIEW OF THE POLICY

This Policy shall be reviewed by the Nomination and Remuneration Committee on an annual basis (unless an earlier review is required) to ensure that it meet the requirements of latest market requirements and trends and the Committee shall make recommendations to the Board on required amendments.

The policy shall be placed on the website of the Company, and the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Directors' Report.

** This Policy was approved by the Board of Directors at its Meeting held on 13th November 2014.
\$ Amended Policy approved w.e.f 5th November 2022*