



Wheels India Limited

Nomination and Remuneration Policy

Preamble

The Company strongly believes that human resources which manage the other resources have infinite potential, and therefore, their development is the key to organizational effectiveness. We commit ourselves to integrate human resources with Organizational growth and development for mutual benefit.

Scope

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 read with the applicable rules thereto and the provisions of the SEBI (LODR) Regulations, 2015 (as amended).

Objective

- a) To lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management.
- b) To carry out evaluation of the performance of the Directors and remuneration for the Directors, KMPs and other Senior Management.
- c) To formulate criteria for determining qualification, positive attributes and independence of a Director.

Definitions

“Key Managerial Personnel”, in relation to a company, means (i) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Whole-Time Director; (iii) the Chief Financial Officer; (iv) the Company Secretary and (v) 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.”

Policy

The role of the Nomination & Remuneration Committee (“Committee”) shall be in accordance with the provisions of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and the Rules framed thereunder. The Committee constituted by the Board of Directors of the Company, shall identify, ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level. The Committee has powers to decide whether qualification, expertise and experience possessed by a person is sufficient for such position.

A. Appointment

Appointment and Remuneration - Executive Directors

The appointment, payment of remuneration to the Executive Directors shall be in accordance with the provisions of the Companies Act, 2013 (as amended from time to time) read with the applicable Rules framed under the Companies Act, 2013.



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Independent Directors

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 and such other related areas as the Nomination & Remuneration Committee may in its absolute discretion deem fit.

KMPs, Senior Management and other Employees

The Company has an organizational chart displaying the position of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the company is to match the requirements prescribed in the organizational chart of the Company.

B. Remuneration

Remuneration of the Directors, KMPs shall be based on and taking in to account the following:

- a) Scope of duties, the role and nature of responsibilities
- b) The level of skill, knowledge and experience of individual
- c) Core performance requirements and expectations of individuals
- d) The Company's performance
- e) Legal and Industrial Obligations
- f) Other parameters as the Company may decide from time to time

Executive Directors: The remuneration (including commission, if any) payable to Executive Director shall be within the overall limits prescribed under the Companies Act, 2013 and rules made thereunder read with relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) subject to requisite approval of shareholders, if any. The quantum of remuneration (including commission, if any) to EDs shall be determined by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee, from time to time.

Non-Executive Directors: They are entitled to receive remuneration by way of sitting fee for attending the meetings of the Board or Committee thereof, within the overall limits prescribed under the Companies Act, 2013 and rules made thereunder. Further, the NEDs are entitled to receive Commission on net-profits of the Company in accordance with relevant provisions of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), subject to requisite approval of shareholders, if any. The quantum of commission payable to NEDs (Independent) and Chairman shall be determined by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee, from time to time.

Senior Management: The Committee shall recommend to the Board, all remuneration in whatever form payable to the Senior Management.

Other employees: The power to decide structure of remuneration for other employees has been delegated to the Human Resources Department of the Company



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C. Evaluation

Executive Directors and Non-Executive Directors

The performance of the Board as a whole, of its committees, and of its members shall be evaluated at least once a year keeping in view the objectives of the Company.

The results of board evaluation shall remain confidential between the Chairman and Directors concerned. The evaluation process will be used constructively as a mechanism to improve board effectiveness and maximize strengths.

Independent Directors

The evaluation will be in accordance with Section 149 of the Companies Act 2013 read with Schedule IV to the said Act, the rules framed thereunder under the Act. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

KMPs, and Senior Management

The criteria will be in accordance with the HR guidelines as applicable to the Company from time to time.

Other Employees

The power to decide criteria for evaluation of other employees has been delegated to Human Resource department of the Company.

D. Deviation from this policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in interest of the Company, will be made if there are specific reasons to do so in individual cases.

Criteria for Evaluation

Criteria for Evaluation of the Board and Non- Independent Directors at a separate meeting of the Independent Directors.

a) Composition of the Board and availability of multi-disciplinary skills

Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make the Company a pioneer in its area of operations.

b) Commitment to good corporate governance practices

1. Whether the Company practices high ethical and moral standards
2. Whether the Company is fair and transparent in all its dealings with stake holders.

c) Adherence to regulatory compliance

Whether the Company adheres to the various government regulations, Local, State and Central in time.



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d) Track record of financial performance

Whether the Company has been consistently recording satisfactory and profitable financial performance year on year adding to shareholder value. Whether the Company is transparent in all its disclosures on financial data.

e) Grievance redressal mechanism

Whether a proper system is in place to attend to the complaints/ grievances from the shareholders, depositors, customers, employees and others, quickly and fairly.

f) Existence of integrated Risk Management system

Whether the Company has an integrated risk management system to cover the Business risks.

g) Use of modern technology

Whether the Company has a system for periodical technology up-gradation in respect of IT hardware / software, production processes and engineering, designing capabilities, innovation and increasing its technology deployment to meet the requirements of its customers in various industry segments.

h) Commitment to CSR

Whether the Company is committed to social causes and CSR and whether there is a system to identify, finance and monitor such social activities.

Criteria for evaluation of Chairman at separate meeting of Independent Directors

- a) Leadership qualities
- b) Standard of integrity
- c) Understanding of macro & micro economic and industry trends
- d) Public relations
- e) Future vision and innovation

Criteria for evaluation of Independent Directors by the entire Board

- a) Qualifications & experience
- b) Standards of integrity
- c) Attendance in Board Meetings/ AGM
- d) Understanding of Company's business
- e) Value addition in Board Meetings

Criteria for evaluation of the Audit committee by the Board

- a) Qualification & experience of members
- b) Depth of review of financial performance
- c) Overview of audit & inspection
- d) Review of regulatory compliance
- e) Fraud monitoring