

**CRITERIA FOR MAKING PAYMENT TO NON-  
EXECUTIVE DIRECTORS**

**WAISL LIMITED**

The Companies Act, 2013 as amended from time to time (herein referred as “the Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereto (hereinafter referred as “LODR Regulations”) have enhanced the corporate governance norms to be complied by all Companies considering that dynamic business environment have placed more onerous responsibilities on the Non-Executive Directors (which expression includes Independent Directors) (hereinafter referred as “NEDs”).

With changes in the Corporate Governance norms the role of the NED’s and the degree and quality of their engagement with the Board and the Company has undergone significant changes. The NEDs devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestions and guidance to the management of the Company from time to time. They provide leadership and strategic guidance, while maintaining objective judgment. The responsibilities and obligations imposed on the NEDs have increased manifold in the recent years on account of a number of factors, including the growth in the activities of the Company and the rapid evolution arising out of legal and regulatory provisions and requirements.

The Overall Remuneration to NEDs should be reflective of the size of the Company and complexity of the company’s operations and should be consistent with recognised best practices. The Overall Remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperative.

Regulation 17(6)(a) of the LODR Regulations require the prior approval of the shareholders of a Company for making payment to its NEDs. However, in accordance with Regulation 17(6)(b) of the LODR Regulations, the requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to NEDs, if made within the limits prescribed under the Act for payment of sitting fees without approval of the Central Government.

Schedule V read with Regulation 62(1A)(e) of the LODR Regulations requires every Company to publish its criteria of making payments to NEDs in its annual report. Alternatively, these criteria may be put up on the Company’s website and reference may be drawn thereto in its Annual Report.

**In keeping with the above, the Criteria for Payment of Sitting Fee/Remuneration to NEDs shall abide by the following:**

**1. Sitting Fees**

The Company shall pay a sitting fee to the NEDs for attending meetings of Board of Directors or any committees or any other meetings as required by the Act, the LODR Regulations or other applicable law for any other purpose whatsoever as may be decided by the Board. The Board has the flexibility to enhance the sitting fees within the parameters prescribed by law.

## **2. Commission**

Section 197(6) of the Act allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Any payment of remuneration to NEDs in excess of the limits set out under the Act, shall require the approval of the shareholders of the Company.

Regulation 17(6)(ca) of LODR Regulations mandates the approval of shareholders by special resolution every year, in which the annual remuneration payable to a single NED exceeds 50% of the total annual remuneration payable to all NEDs, giving details of the remuneration thereof.

## **3. Professional Fees**

Section 197 of the Act allows a Company to pay remuneration to its NEDs for services rendered by any such Director if:

- a. The services rendered are of professional nature;
- b. In the opinion of Nomination and Remuneration Committee the Director possesses the requisite qualification for the practice of the profession.

## **4. Reimbursement of Actual expenses incurred**

The NEDs are also entitled for reimbursement of expenses incurred for attending the Board Meetings, Committee Meetings, General Meetings, induction and trainings organised by the Company for the Directors.

## **5. Stock Options**

The Company has not issued any Stock Options to the NEDs.

The Board of Directors of the Company with the approval of shareholders may allot stock options to the NEDs excluding independent Directors. However, the Company shall ensure at all times that the options granted through the stock options does not entitle the NEDs to receive remuneration more than what is permissible as per law.

Provided that an independent Director shall not be entitled to any stock options and may receive remuneration by way of fees and reimbursement of expenses for participation in meetings of the Board and other meetings and profit related commission as may be approved by the members.

The Company reserves the right to modify and/or amend this document at any time subject to the applicable provisions of the Act, 2013 and LODR Regulations. The above criteria are subject to review by the Nomination and Remuneration Committee and the Board of Directors of the Company from time to time.

This is being approved by the Board of Directors and shall be effective from November 13, 2023.