TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Introduction:

WPIL Limited (referred to as 'Company') is mainly engaged in the business of fluid handling – from supply of pumps to turnkey project execution. It supplies a comprehensive range of pumps to the Industrial, municipal and irrigation sector. The company also has a strong project division which undertakes water management contracts in the above sectors.

Company values integrity standards, ethics, governance and transparency. Involvement of Independent Directors as a supervisory body of the Board and in Board's process is highly and sincerely accepted by the Board.

Preamble:

Terms and conditions for appointment of Independent Directors are formulated with a motive of standardization of criteria and process of appointment. Other qualification criteria and requirements are also framed herein according to need of the Organization.

Nomination and Remuneration Committee will be the authority to frame this Policy and to review and to suggest any amendments, if any, from time to time.

Policy:

Particulars of the Policy of terms and conditions of appointment of Independent Directors are defined as below:

- **Appointment**

  Appointment of Independent Directors shall be subject to the provisions Section 149 and 152 and other applicable provisions of the Companies Act, 2013 ('Act') as amended and the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Rules') along with criteria of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, you will be appointed as a Non-Executive Independent Director on the Board of Directors.

  Terms of appointment will be finalised by the Board with the recommendations from N&R Committee.

  The Company has adopted the provisions with respect to appointment and tenure

Independent Directors which is consistent with the Companies Act, 2013. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

- **Committees**

  The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

- **Time Commitment**

  As a Non-Executive Independent Director, they are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board generally meets four times in a year. The Audit Committee generally meets at least four times in a year. You will be expected to attend Board and Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all Meetings are held at the registered office of the Company in Surat, Gujarat.

  By accepting the appointment letter, they shall also confirm that they are able to allocate sufficient time to meet the expectations of their role to the satisfaction of the Board.

- **Roles and Duties**

  Role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties as prescribed for all the Directors, both Executive and Non- Executive, which are fiduciary in nature and stated are as under:

  - They shall act in accordance with the Company's Articles of Association as may be amended from time to time.
  - They shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
  - They shall discharge their duties with due and reasonable care, skill and diligence.
  - They shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
  - They shall not achieve or attempt to achieve any undue gain or advantage either to

themselves or to their relatives, partners or associates.

- They shall not assign their office as Director and any assignments so made shall be void.

In addition to the above requirements, the Board also expects you to perform the following functions:

- They should constructively challenge and help develop proposals on strategy for growth of the Company.
- They should evaluate the performance of the Management in Meeting agreed goals and objectives.
- They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- You will take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
- You should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

➢ **Status of Appointment**

- They will not be an employee of the Company and the appointment letter shall not constitute a contract of employment. They will be paid such remuneration by way of sitting fees for Meetings of the Board and its Committees as may be decided by the Board. Further, they will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.

- The sitting fees will be paid as per the provisions of Companies Act, 2013.

- They will not be entitled to any bonus during the appointment and no entitlement to participate in any Employee Stock Option Scheme operated by the Company or any Group Company.

➢ **Reimbursement of Expenses:**

In addition to the remuneration described above, the Company will, for the period of their appointment, reimburse them for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

- **Conflicts and Interest:**
  - It will be accepted and acknowledged that they may have business interests other than those of the Company. As a condition to their appointment, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

  - In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

- **Evaluation:**
  The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy. Your appointment and reappointment on the Board shall be subject to the outcome of the yearly evaluation process.

- **Disclosure of Interest:**
  Any material interest that a Director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board Meeting so that the Minutes may record their interest appropriately and our records are updated. A general notice that they are interested in any contract with a particular person, firm or company is acceptable.

- **Code of Conduct:**
  During the tenure of their appointment, they are required to comply with the Code of Conduct adopted by the Board of Directors and to comply with Schedule IV of the Companies Act, 2013.

- **Confidentiality:**
  All information acquired during your appointment is confidential to the Company and should not be released, either during their appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required

by law or by the rules of any Stock Exchange or Regulatory Body. On reasonable request, they shall surrender any documents and other materials made available to them by the Company.

- **Publication of the Letter of Appointment**:
  In line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the Company will make public the terms and conditions of your appointment and will also arrange for it to be displayed on the Company's website.

- **Termination:**
  - They may resign from their position at any time and should you wish to do so, they are requested to serve a reasonable written notice on the Board. In terms of provisions of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies, Gujarat.

  - Continuation of their appointment will be contingent on their getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the shareholders do not re-elect them at any time.

  - Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

Review:

Terms and conditions shall be reviewed from time to time. Necessary changes and modification shall also be updated as and when required.