

Nomination and Remuneration Policy

of

Bharat Wire Ropes Limited

[In terms of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013]

(Last amended on 03rd February, 2025)

**Summary of amendments to be made in Nomination and Remuneration Policy as per SEBI
(LODR) 2024 – Third Amendment Dated. 12.12.2024**

Sr. No.	Particulars	Pre-Amendment	Post Amendment / Changes made
1	Change in definition of Senior Management	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 or Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called.	The Definition further includes - The persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 (the “**Act**”) read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (“**NRC**” or the “**Committee**”) and has been approved by the Board of Directors.

1. Introduction

The Company considers human resources as an invaluable asset. The policy is intended to harmonise the aspirations of the Directors / employees with the goals and objectives of the Company.

As a part of a progressive HR philosophy, it is imperative for the Company to have a comprehensive compensation policy which is in sync with the industry trends and is also employee friendly.

2. Definitions

- 2.1 “**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 “**Applicable Laws**” means the Act and Listing Regulations.
- 2.3 “**Board**” means the Board of Directors of the Company.
- 2.4 “**Company**” means Bharat Wire Ropes Limited.
- 2.5 “**Nomination & Remuneration Committee or Committee**” means a Committee of the Board acting as the Nomination and Remuneration Committee pursuant to section 178 of the Act and Regulation 19 of Listing Regulations.
- 2.6 “**Directors**” mean Directors of the Company;
- 2.7 “**Key Managerial Personnel or KMP**” means
- a. Chief Executive Officer or the Managing Director (MD) or the Manager;
 - b. Whole-time director (WTD);
 - c. Chief Financial Officer;
 - d. Company Secretary; and
 - e. such other officer as may be prescribed.
- 2.8 “**Independent Director**” means a director referred to in Section 149(6) of the Act and Listing Regulations.

- 2.9 **“MD & CEO”** shall mean the Managing Director and Chief Executive Officer of the Company.
- 2.10 **“Policy or this Policy”** means the Policy on Nomination, Removal, Remuneration and Board Diversity.
- 2.11 **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- 2.12 **“Senior Management Personnel”** 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 or 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 74 persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

3. Objective

The objective of the policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4. Role of the Committee

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of performance of Independent Directors and the Board of Directors.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- The remuneration / compensation / commission etc. to Directors will be determined by the Committee and shall be recommended to the Board for approval.
- To devise a policy on Board diversity, composition, size.

- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

5. Appointment of Director, KMP and Senior Management

- The Committee will have the responsibility and authority to decide the essential and desirable skills/competencies/expertise/experience/criteria of independence required from the individuals for the office of Directors, KMP & Senior Management Personnel.
- The expertise required from the Directors, KMP and Senior Management Personnel would be defined based on the Company's strategy and needs.
- The Committee shall review the criteria for the role and define the role specifications for the appointment.

6. Term

- **Managing Director/Whole-Time Director:**

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- **Independent Director:**

Subject to the provisions of the Act and rules made thereunder and Listing Regulations, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company 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.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company

- **KMP (other than MD/WTD) and Senior Management:**

The term of KMP (other than MD/WTD) and Senior Management shall be as per the prevailing policies of the Company

7. Removal of Director, KMP or Senior Management Personnel

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

8. Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

9. Succession Plan for Directors, KMP and Senior Management Personnel

The Committee shall develop and recommend to the Board a succession plan for the appointments made to the Board and to KMP & Senior Management.

The Committee shall review such plan on an annual basis and recommend revisions, if any, to the Board.

10. Evaluation

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management yearly or at such intervals as may be considered necessary.

11. Remuneration

• Remuneration to MD/WTD

The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be 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.

• Remuneration to Non-Executive Directors and Independent Directors:

Remuneration / Commission

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as maybe prescribed by the Central Government from time to time.

Limit of Remuneration / Commission

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

• **Remuneration to Key Managerial Personnel (other than MD/WTD) and Senior Management:**

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.

The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

12. General

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Board of Directors may in their discretion and on recommendation of the committee, make any changes/modifications and/or amendments to this Policy from time to time.

The Committee may Delegate any of its powers to one or more of its Members.