

Welspun Specialty Solutions Limited

BOARD CHARTER



WELSPUN SPECIALTY SOLUTIONS LIMITED

BOARD CHARTER

Adopted on October 31, 2022

1. Introduction, purpose and framework

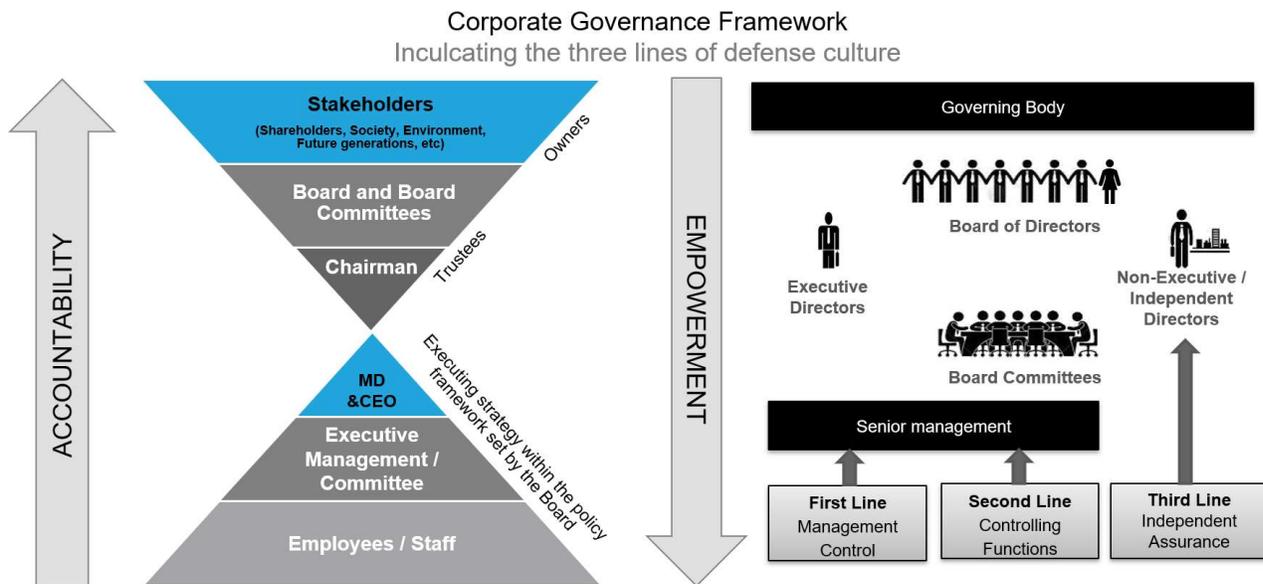
The following Corporate Governance guidelines have been adopted by the Board of Directors (the “Board”) of Welspun Specialty Solutions Limited (the “Company”) effective from October 31, 2022. These guidelines are framed in conjunction with the Company’s Memorandum & Articles of Association, the Charters of the Committees of the Board and applicable laws / rules/ regulations / guidelines for the time being in force in India and other jurisdictions, as applicable.

In the event of any conflict between the provisions of this guideline and of the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) or any other statutory enactments, the provisions of such other law for the time being in force, to the extent applicable to the Company, the statutory provisions shall prevail over this guideline. Any subsequent amendment / modification in the enactments in this regard shall automatically apply to this guideline.

The Board may, in its discretion, deviate from this guideline as the Board deems appropriate or as required under applicable laws, rules and regulations. This guideline shall be reviewed and updated annually or based on any event or change in laws / rules / regulations warranting the update. The guideline (including any periodic update to the guideline) shall be made available on the website of the Company and shall also be available in print to any shareholder requesting it. Such availability on the Company’s website and in print will be noted in the Company’s annual report to its shareholders.



The Board is the Apex authority appointed by shareholders of a company to monitor and direct strategies, operations and management of the business of the company. The Board shall assess external environment, decide business strategy, formulate policies, appoint and compensate executive management, delegate powers, review performance and set up checks and balances.



2. Composition of the Board

2.1 Board size

As per the Memorandum & Articles of Association of the Company, the number of Directors shall not be less than three (3) and not more than fifteen (15) or such higher number of Directors as may be permitted under the Companies Act, 2013 as amended or replaced from time to time.

2.2 General composition and Board profile

- The Board of Directors of the Company shall have an optimum combination of executive and non-executive directors with at least one independent woman director and such other requirements to comply with various laws from time to time.



- The Board believes that as a matter of policy, Independent Directors shall comprise of at least 50% of the Company's Board. This will not, however, prevent the Board from taking valid actions, if due to a temporary vacancy or vacancies on the Board, there are fewer than the intended proportion of Independent Directors. Any such vacancies shall be filled as soon as reasonably practicable.
- The Board also believes that it is useful and appropriate to have professional members of the management as Managing Director / Whole Time Director/ Chief Executive Officer.
- Given the nature of the Company's business, it is important to consider diversity of thought, perspective, knowledge, skill, industry experience, cultural and geographical background, age, and gender, in the Board mix.
- **Key attributes and expertise** - The Board shall include qualified members who bring the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board shall comprise of distinguished individuals with one or more following key attributes:
 - Extensive leadership experience for a significant enterprise, resulting in a **practical understanding of organizations, processes, strategy and risk management**. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
 - **Experience in** driving business success in **markets around the world**, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
 - Proficiency in complex **financial management**, capital allocation, and financial reporting processes, financial controls or experience in actively supervising a principal financial officer.
 - Proficiency with **capital markets**.
 - Experience in **legal matters**.



- Significant background in **technology**, resulting in knowledge of how to anticipate technological trends (digital / automation / artificial intelligence / cybersecurity / analytics), embrace disruptive innovation, and extend or create new business models.
- Significant background and demonstrated experience in matters involving **human resources** and defining / shaping people and organizational culture.
- A history of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyse the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.
- Service on a public company board to develop insights about maintaining board and management accountability, protecting stakeholder interests, awareness of the corporate responsibilities towards its lenders, customers, employees, suppliers, regulatory bodies, and the communities in which it operates and observing appropriate governance practices.
- Experience in developing **strategies** to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
- Knowledge and experience of building and leading sustainable organizations including:
 - ✓ Understanding the importance of the Environmental, Social, Governance ("ESG") goals, and how they should impact the board's role, composition and work processes.
 - ✓ Implementing ESG goals fully integrated into the strategy of the Company.
 - ✓ Guiding the reporting of ESG performance based on internationally recognized standards / frameworks.
- Brief profile of each member of the Board of Directors shall be disclosed on the Company's website.



2.3 Independence criteria

The Board shall be comprised of majority of Directors who qualify as Independent Directors (“Independent Directors”) under the SEBI Listing Regulations and the Companies Act, 2013 and the rules made thereunder. The Board will review annually the relationship that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company will be considered Independent Directors, subject to additional qualifications prescribed under the SEBI Listing Regulations and the Companies Act, 2013. The basis for any determination that a relationship is not material shall be disclosed in accordance with applicable rules and regulations.

2.4 Board leadership

The positions of Chairman of the Board of Directors and Managing Director / Whole Time Director/ Chief Executive Officer shall be held by separate persons as an aid in the Board’s oversight of management. If the Chairman of the Board is not an independent director, the Board will appoint an independent director to serve as Lead Independent Director.

3. Board inductions and continuing education

3.1 Screening and selection of new Directors

- The Board and the Nomination & Remuneration Committee of the Board shall be responsible in actual practice and not merely as a procedural formality, for selecting members of the Board and in recommending them for election by the shareholders. The Board delegates the screening and selection process involved in selecting the new directors to the Nomination & Remuneration Committee.



- The Nomination & Remuneration Committee shall be responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director in line with the guidelines laid out herein and recommend candidates to the Board when circumstances warrant the appointment of a new Director. While performing this role, the Nomination and Remuneration Committee shall place due consideration for qualifications, integrity, expertise and experience of the candidate so nominated.
- For appointment of 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.

3.2 New director induction and continuing education

- The Board believes that ongoing education is vital for sustenance of an effective Board. The Company shall conduct a formal induction program for all new directors. The program shall include an introduction to the Company's Key Managerial Personnel (KMP) and organization structure, products and services, group structure and subsidiaries, constitution, Board procedures, matters reserved for the Board. Incumbent directors shall be invited to attend the program. Presentations shall be made by Executive Directors / Key Managerial Personnel / other senior management with an aim to familiarize the newly inducted Directors with the strategy, operations and functions of the Company.

The induction program shall, inter alia, cover the following topics:

- ✓ Company's values, ethos and culture.
- ✓ Company's strategy, vision and mission (including ESG strategy and vision).
- ✓ Corporate governance matters, Board powers, duties and responsibilities.
- ✓ Markets, Operations and overall value chain.
- ✓ Product and service offerings.
- ✓ People and Organization structure.



- ✓ Key policies, code of conduct and bye-laws.
 - ✓ Regulatory and compliance landscape.
 - ✓ Significant financial, accounting and risk management framework.
 - ✓ IT landscape and automation / digitization framework.
- Each director is expected to maintain the necessary level of expertise to perform better duties as a director. The Company may, from time to time, offer continuing education programs to assist the directors in maintaining such level of expertise. Continuing education may be provided in a variety of different forms including external or internal education programs, presentations or briefings on specific topics, educational materials, meetings with Key Managerial Personnel and visits to Company's facilities.

4. Tenure and retirement

- The term of executive directors shall not exceed five years on each occasion. An independent director shall hold office for a term up to four years on the Board and shall be eligible for reappointment for another term of up to four years.
- The age limit for appointment / retirement of Executive Directors shall be sixty five years and for Non-Executive Independent Directors shall be seventy five years.
- The appointment of the independent directors shall be formalized through a letter of appointment. The terms and conditions of appointment of independent directors shall be posted on the Company's website.
- Appointment / extension of retirement beyond the specified age limit, shall be at the discretion of the Board with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for such appointment / extension beyond prescribed age limit.
- One third of the Board members shall be subject to retirement by rotation, such Board members who are willing to get re-appointed shall be elected annually by the Company's shareholders. Each year, at the Company's annual general meeting, the



Board shall recommend names of directors eligible for re-election by shareholders. The Independent directors shall not be subject to retire by rotation in terms of provision of the Companies Act, 2013.

5. Board powers, duties, responsibilities and other matters

The Board is empowered to manage the Company business and affairs with diligence, prudence and transparency. It can exercise all powers over the business except those reserved with shareholders by law. The Board shall perform roles mentioned below:

5.1 Primary responsibilities

- The primary responsibility of the directors is to exercise their business judgement to act in a manner they reasonably believe is in the best interests of the Company and its stakeholders and in a manner consistent with their fiduciary duties, in compliance with applicable laws and regulations. In fulfilling that responsibility, directors may ask such questions and conduct such investigations as they deem appropriate, and may reasonably rely on the information provided to them by the Company's executives, external advisors and auditors.

- The Board of Directors provides oversight, counselling and direction to the management of the Company in the interest and for the benefit of the Company's stakeholders. The Board's detailed responsibilities include, but not limited to the following:
 - (a) Receive, review and approve the strategy, annual business plan & budget and risk management plan on an annual basis and monitor performance against plan on a quarterly basis to identify, suggest and approve revisions to the same during the year;
 - (b) Hiring of Key managerial personnel (KMP), finalizing the key result areas (KRAs) & Compensation;



- (c) Review and approve executive management structure;
- (d) Delegation of powers/ authority to the management;
- (e) Planning for KMP succession and monitoring management's succession planning for other senior executives;
- (f) Overseeing the conduct of the Company's business and assessing the Company's business and other enterprise risks to evaluate whether the business is being properly managed;
- (g) Overseeing how the culture of the Company is shaped, create accountability, monitor how culture and talent metrics are measured to keep a pulse on how culture is evolving.
- (h) Reviewing and approving the Company's major financial objectives, strategy, operating plans, and other significant actions;
- (i) Overseeing the Company's processes for maintaining the integrity of the Company's financial statements and other public disclosures, proper safeguarding of the assets of the Company and the Company's compliance with law and ethics;
- (j) Monitoring and managing potential conflict of interest of management, board members and other stakeholders;
- (k) Define requirement for Board MIS and carry out regular MIS validation checks;
- (l) Selecting and recommending to the shareholders, appropriate candidates for election to the Board;
- (m) Evaluating Board processes and performance and the overall effectiveness of the Board;
- (n) Evaluating the performance of the Company and of senior management;
- (o) Formalizing roles, responsibilities and KPI/ Key Result Areas (KRA) for key emerging governance roles viz.
 - Chief Risk Officer,



- Chief Sustainability Officer,
- Chief Compliance Officer,
- Chief Ethics Officer,
- Chief Data Privacy Officer / Chief Information Security Officer;

5.2 Board access

- The Board, the Board Committees and the Board members shall be granted complete access to the following:
 - ✓ Company's books / records.
 - ✓ Company's management, employees, offices and other facilities (nevertheless ensuring that such contact is not disruptive to the business operations of the Company).
 - ✓ External advisors / expert / auditors to assist the Board in its work.

5.3 Appointment of Managing Director / Whole Time Director / Chief Executive Officer and key management executives

- The Board shall, based on review and recommendations of the Nomination and Remuneration Committee -
 - (a) appoint Managing Director / Whole Time Director / Chief Executive Officer and other key management executives.
 - (b) approve compensation plan for Managing Director / Whole Time Director / Chief Executive Officer and other key management executives.
 - (c) draw up annual KRAs of Managing Director / Whole Time Director / Chief Executive Officer and other key management executives in line with the business plan and objectives.



5.4 Delegation of Authority matrix

- The Board shall approve Delegation of Authority Matrix. The matrix shall be submitted by Whole Time Director/Chief Executive Officer or Managing Director of the Company. The Board shall examine that the matrix contain adequate delegation of authority, built in internal controls, enable swift and effective decision making. The Board shall review the Matrix documents at periodic interval or on occurring of events which warrant immediate alteration.

5.5 Board compensation

- Compensation payable to Board members shall be determined as per the Nomination and Remuneration Policy in line with the applicable laws governing Board compensation including Companies Act, 2013, and approved by the Board.
- Executive Directors shall not be paid for Board membership / sitting fees in addition to their regular compensation.
- All compensation paid to the Board members shall be disclosed in the annual report.

5.6 Code of conduct, ethics and conflict of interest

- Defining the Code of Conduct, Integrity and Ethics.
- Periodic review and refresh of Code of Conduct, Integrity and Ethics by the Board.
- The Code of Conduct, Integrity and Ethics must spell out boundaries which are supreme above business interest. Each director, employee, external stakeholder must abide by the code failing which their association with the Company shall be severed.
- The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities. The Board expects all directors to act at all times in accordance with the requirements of the Company's Code of Conduct, which shall be applicable to each director in connection with his or her activities relating to the Company. This obligation shall at all times include, without limitation, adherence to the Company's policies with respect to conflicts of interest, confidentiality, protection of the Company's assets,



ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Code of Conduct with respect to any individual director shall be reported to, and be subject to the approval of, the Board of Directors.

- The Board members are expected to be mindful of possible conflicts of interest, including anything that could impair their independence as a director, and should discuss any issues with the Chairman and the Lead Independent Director, if any. If a significant conflict arises and cannot be resolved, the director would be expected to resign.
- Each director and KMP are required to annually disclose their directorship / shareholding / relative details to the Company. All directors who are concerned or interested in a transaction, shall recuse themselves from participating in the discussion at the Board / concerned committee meetings on such transactions.

5.7 Confidentiality and insider trading

- By virtue of the positions held, the Board members are generally exposed to material, non-public information concerning business, strategy and operating plans. The Board members shall always treat all corporate information available for their consumption with discretion, and treat all information received in the course of their work with utmost confidentiality.
- The Board members are prohibited from discussing all non-public information or any other information having bearing on the price of the securities of the Company, with friends, relatives and acquaintances. These obligations are continuing and shall subsist until such information is consummated or abandoned or until there is a public announcement by the Company in this regard.
- The Board members being designated persons under Insider trading policy, all their trades in the securities of the Company shall be regulated as prescribed under the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of the Company. Further, the Board members are prohibited from hedging activities such as,



trading in options, puts, calls, or other derivative instruments related to Company's stock or debt. Each Board member shall strictly adhere to the Insider Trading policy of the Company.

5.8 Culture

- The culture in the Company from the Board level to shop floor will prevail over strategy. Achievement of goal and strategy adopted shall never be sought by compromising the Company's culture.
- Grievance cell must be set up which address issues of deviation from culture.
- Each director and employee shall receive regular communication defining culture of the Company.

6. Meetings

6.1 Frequency

- Board meetings shall be held at least four times a year, preferably one every quarter.
- Annual calendar of the Board Meetings and Committee Meetings would be prepared and circulated at the beginning of the year. The exact dates of the Board meetings and Committee meetings shall be decided at least 1 month in advance and shall be formally circulated to each of the Board members. The Board may also meet at such other times as may be necessary and decided by the Board.
- The Board also meets once in a year at an Annual Conference where it discusses various long-term strategic issues relating to the Company. The Conference is usually a half-day program. Board members are encouraged to attend such Conferences to brainstorm and contribute their valuable inputs.

6.2 Agenda and distribution of board material

- The agenda for the Board meetings should be sent to the Directors at least seven days prior to the Board meeting. In case of exigency Board may allow meetings at shorter notice. The agenda shall include such matters as decided by the Board and its



Committees as well as matters suggested by Management from time to time. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is also free to raise at any Board meeting, subjects that are not on the agenda for that meeting.

- The agenda and meeting schedule must permit adequate time for discussion and a healthy exchange between Board members and management.
- All information, relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting, shall be distributed in writing or electronically to all members at least one week in advance.
- The Board acknowledges that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.

6.3 Venue

- The meetings of the Board will generally be held at the Company's [corporate office](#) unless otherwise decided by the Board of Directors or via Audio-Visual Means as permitted under applicable laws.

6.4 Attendance

- The Board meetings shall be attended by all Directors. The Board welcomes the regular attendance at each Board meeting of selected members of management as invited by the Chairman. Furthermore, the Board encourages attendance of key managers from the management to be present at the Board meetings who can provide an insight into the items being discussed because of their expertise in those areas.
- All Executive Directors shall make it a point to attend all meetings of the Board. The Non-Executive Independent Directors shall make it a point to attend at least 75% of the total board meetings in a year. In case if it is not possible to attend Board meeting in



person, wherever possible, Directors shall make themselves available to participate in the Board meetings through teleconference or video-conference.

- All Directors are expected to attend the Company's annual general meeting (and extraordinary general meeting), except if unusual circumstances make attendance impractical. Disclosure of such exception should be made in the general meeting.

6.5 Minutes

- The Chairman may delegate the taking of minutes to the Company Secretary.
- Minutes must be drawn up for every Board of Directors meeting and for every resolution adopted outside a meeting / resolution by circulation. The minutes are to be signed by the Chairman of the meeting and Company Secretary and then added to the Company's records.
- The minutes of the board meeting shall be circulated within below mentioned timeline:
 - Draft Minutes of the meeting to be circulated within 7 days from the date of meeting.
 - Final minutes of the meeting to be circulated within 21 days from the date of meeting (7 days for draft minutes, 7 days for receiving inputs on the draft minutes and 7 days to update & finalize)
- Minutes shall include any dissenting views expressed by any of the Board members. Further, any member of the Board may demand a note explaining how he voted or a formal declaration by him be included in the minutes.
- The minutes of a meeting are taken as having been approved if the members of the Board of Directors do not submit a written objection to the Chairman within 7 days of the date on which the minutes were circulated. If the Chairman is unable to resolve the objection, a decision must be taken on it in the next meeting.



6.6 Independent Directors meeting

- The Independent directors shall meet at least once a year without the presence of executive management. The Lead Independent director shall preside over such meetings. In the absence of Lead Independent Director, one of the Independent Directors chosen by the group of Independent Directors shall act as Chair of the meeting. Such meetings shall inter alia:
 - (a) Review the performance of non-independent directors and the Board as a whole;
 - (b) Review the performance of the Chairperson of the Company, considering 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.
- These executive session discussions may include such topics as the independent directors determine. The name of the Lead Independent Director who presides the executive sessions shall be disclosed in the annual report.

7. Committees of the Board

7.1 Board Committees

- The Board shall constitute committees required by law and regulatory provisions and in addition may constitute such more committee with specific objective, purpose or project.
 - Audit Committee
 - Nomination and Remuneration Committee
 - Stakeholders Relationship Committee
 - Risk Management Committee



- The Board may, from time to time, form new committees comprising of Board members / executives as it deems appropriate. The Board may, to the fullest extent permitted by law, delegate any of its functions and responsibilities to a committee of the Board.
- The Committee shall approve minutes which clearly record decisions taken and action points. The Committee shall review progress on action taken at each meeting.
- The Committee shall ensure to report findings, decisions, actions taken to the Board with precise details and analysis of each issue.

7.2 Composition of the Committees

- The Composition of the committees shall be in line with the SEBI Listing Regulations and the Companies Act, 2013 and rules made thereunder, to the extent applicable to the Company.
- All Board Committees shall have a minimum of 3 members, of which one member shall be appointed as Chairman of the Committee.
- As a good governance structure and to aid the function of Board's oversight of the management through its Committees, the Audit Committee and the Nomination & Remuneration Committee shall exclusively comprise of non-executive, independent directors as Committee members and other committees shall comprise of majority of non-executive, independent directors.
- The members and Chairman of the Committees shall be appointed by the Board, taking into account the qualifications, areas of expertise, skill sets, diverse perspective offering and independence possessed by the Directors in order to discharge their duties in the role of a Board Committee member / Chairman

7.3 Rotation of members between Committees

- Committee composition shall be reviewed once every 2 years, and it is expected that Committee roles will rotate from time to time among the Board members. Consideration of Committee rotation shall seek to balance the benefits derived from continuity and experience, on the one hand, and the benefits derived from gaining



fresh perspectives and enhancing Directors' understanding of different aspects of the company's business and functions.

7.4 Committee charters

- Each Committee shall have its own charter. The charter will set forth the composition, purpose, authority and responsibilities of the committee.
- All Committee charters shall be approved by the Board and shall be available on the Company's website and web-link thereof in the annual report.

7.5 Frequency and agenda of Committee meetings

- The Chairman of each committee shall determine, in consultation with the appropriate Committee members and members of management, and in accordance with the Committee's charter, the frequency and length of committee meetings and the Committee's agenda.
- Each Committee shall establish, to the extent foreseeable and practical, a schedule of agenda items to be discussed during the year.
- The Committee shall approve minutes which clearly record decisions taken and action points. The Committee shall review progress on action taken on a quarterly basis.

7.6 Reporting to the Board

- Each Committee shall report regularly to the Board with respect to the Committee's activities. The Committee shall ensure to report findings, decisions, actions taken to the Board with precise details and analysis of each issue.

8. Performance and quality evaluation

8.1 Evaluation of Board and its Committees



- At least once a year, the Board of Directors shall discuss its own activities, its individual members and its Committees, the effectiveness of such activities, and the composition and competence of the Board of Directors. Inputs emerging from the meeting of Independent Directors may also be considered in the discussion.
- The Nomination and Remuneration Committee shall facilitate such annual evaluation. The Board / Committee may engage an external specialist from to time, to carry out the evaluation, as it may deem fit.

8.2 Formal evaluation of management members

- The Nomination and Remuneration Committee shall perform an annual evaluation of the Managing Director / Whole Time Director/ Chief Executive Officer and Key Managerial Personnel and Senior Managerial Personnel.
- The evaluations shall be based on pre-determined Key Performance Indicators (KPIs) such as, performance of the business, accomplishment of long-term strategic objectives, total shareholders return, overall management of stakeholders and such other evaluation parameters as may be prescribed in the Nomination and Remuneration Committee Policy.
- The evaluations shall be used by the Committee in the course of its decision relating to the compensation of the Managing Director / Whole Time Director/ Chief Executive Officer(s),KMPs and SMPs.

8.3 Succession planning and management development

- The Nomination and Remuneration Committee reviews succession planning and management development topics with the Board on at least an annual basis. The Board's goal is to have in place a long-term program for effective senior leadership development and succession, as well as short-term contingency plans for emergency and ordinary course contingencies, such as the departure, death, or disability of the Managing Director / Whole Time Director/Chief Executive Officer or other Key Managerial Personnel and Senior Managerial Personnel.



8.4 Board Interaction with Stakeholders

- The Stakeholders Relationship Committee serves as the Board’s liaison for consultation and direct communication with stakeholders. Individual Board members may, from time to time, meet or otherwise communicate with various other stakeholders that are involved with the Company (key customers, vendors, auditors, employees, etc.), but it is expected that Board members would do this with the knowledge of management and, in most instances, at the request of management.

----- XXXXX -----