



# Welspun India Limited

BOARD CHARTER

**WELSPUN INDIA LIMITED****CHARTER OF THE BOARD OF DIRECTORS**

Adopted on October 27, 2021

**1. Overall responsibility:**

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

**2. Specific Role & authority of the Board:**

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 of Directors shall provide 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 key responsibilities include, but not limited to the following:

**a) Strategy & Risk:**

Receive, review and approve the strategy and risk management plan on an annual basis and monitor performance against plan on a periodic basis (quarterly) basis to identify, suggest and approve revisions to the same during the year;

**b) CEO, KMP Hiring, KRAs & Compensation:**

The Board shall, based on review and recommendations of the Nomination and Remuneration Committee –

(a) appoint Managing Director / Chief Executive Officer and other key management executives, approve their compensation plan

(b) draw up annual KRAs of Managing Director / Chief Executive Officer and other key management executives in line with the business plan and objectives

**c) Financial accountability, Corporate Performance & Internal Controls:**

- The Board shall oversee 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;

- The Board shall oversee 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.

- The Board shall review and approve the Company's major financial objectives, strategy, operating plans, and other significant actions;

- The Board shall oversee 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;
- Take reasonable steps to ensure the implementation and integrity of company's internal controls and monitoring mechanism by which the company operates

### **3. Board Governance:**

#### **a. Meetings and frequency:**

- The calendar of dates for the Board meetings and Committee meetings of the Board, for quarterly results and other business of routine nature, shall be decided by the Board in advance (3 months) and shall be formally circulated to each of the Board members.
- The independent directors should hold regularly scheduled meetings at least once a year at which non-independent directors and members of management are not in attendance
- The Board shall meet once in a year at an Annual Conference where it discusses various long-term strategic issues relating to the Company. The Board shall endeavour to have one informal gathering of Board members, senior company officials.

#### **b. Agenda and distribution of board material:**

- The agenda for the Board meetings should be sent to the Directors seven days prior to the Board meeting. In case of exigency Board may allow meetings at shorter notice.
- 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 and specific information sought by Board members pertaining matters to be discussed at an upcoming Board meeting shall be distributed electronically to all members 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.

#### **c. Attendance**

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

#### **d. Minutes**

- The minutes of the board meeting shall be circulated to each member of the Board of Directors within 14 days of the board meeting.
- The minutes of a meeting are taken as having been approved if no member of the Board suggests any correction to the Chairman within 7 days of circulation of minutes.

**e. Evaluation of Board and its Committees**

At least once a year, the Board of Directors shall (without the Management team being present) discuss its own activities and those of 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.

**4. Committees & Delegation Protocol:**

- Along with Committees required to be formed statutorily, 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 Board shall approve charter of each committee. While constituting each Committee, the Board shall clearly specify objective of each committee, terms of reference, roles and responsibilities, appoint Chairperson, define quorum, frequency of meetings.
- The Committee shall approve minutes which clearly record decisions taken and action points. The Committee shall review progress on action taken at each meeting.
- Chairperson of each Committee shall report to the Board about its proceedings during a calendar quarter at a meeting of the Board where quarterly results are considered.

**5. Delegation of Authority matrix:**

The Board shall approve Delegation of Authority Matrix containing adequate delegation of authority, built in internal controls, enabling swift and effective decision making. The Board shall review the Matrix documents at periodic interval or on occurring of events which warrant immediate alteration.

**6. Board Composition, Criteria, Evaluation & Compensation:**

Given the nature and global presence of the Company's business, it is important to consider diversity of thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race 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.

Brief profile of each member of the Board of Directors shall be disclosed in the Company's annual report and posted on the Company's website

**7. Code of Conduct, ethics & Integrity:**

The Board shall:

- Define the code of conduct and ethics;
- Periodically review and refresh of code of conduct and ethics;
- The Code of Conduct, Integrity and Ethics must spell out boundaries which are supreme above business interest;

- The Code shall be understood and acknowledged by each and every stakeholder;
- The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities.

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