

KESORAM INDUSTRIES LIMITED

NOMINATION AND REMUNERATION POLICY

The Board of Directors of Kesoram Industries Limited (“the Company”) originally constituted a Nomination and Remuneration Committee (“the Committee”) at its Meeting held on April 29, 2014 consisting of three (3) Non-Executive Independent Directors, and an Executive Director. In compliance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Committee, as at 31st March, 2019, consists of three (3) Members, all Non Executive Independent Directors.

1. ROLE AND OBJECTIVES OF THE COMMITTEE

The objectives of the Committee are in compliance with Section 178 of the Companies Act, 2013 and the applicable Rules thereto as well as Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Without prejudice to the generality of the above the Key Objectives of the Committee are:

- 1.1. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and other Senior Management Personnel as defined in Clause 2.5 below.
- 1.2. To recommend to the Board the remuneration payable to Directors, Key Managerial Personnel and such Members of the Senior Management to which this Policy applies.
- 1.3. To ensure that Key Managerial Personnel and Senior Management Personnel to whom this Policy applies are remunerated based upon acumen, talent brought to the table, effort, performance, dedication and perseverance.
- 1.4. To encourage retention, motivation and promotion of managerial talent in the Company.
- 1.5. To suggest and update policies on Board diversity.
- 1.6. To formulate, if need be, the methodology/criteria of evaluating the performance of the Board, its Committees and individual Board Members, suggest revisions from time to time, where so required, and review implementation of the formulated methodology/criteria, whenever necessary.

2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means the Board of Directors of the Company.
- 2.3. **Directors** mean Directors constituting the Board of the Company.
- 2.4. **Key Managerial Personnel (KMPs)**.
- 2.4.1. Chief Executive Officer or the Managing Director or the Manager under the Act.
- 2.4.2. Whole-time Director;
- 2.4.3. Chief Financial Officer;
- 2.4.4. Company Secretary; and
- 2.4.5. Such other managerial person as may be prescribed by law.
- 2.5. **Senior Management Personnel** means only those personnel who are members of the Company's core management team placed one level below the KMPs including the Chief Operating Officer, if any.

3. EVALUATION FRAMEWORK

- 3.1 The Committee will ensure that the Board carries out periodical evaluation of the performance of the Board as a whole, its Committees and every Director, through a peer evaluation process or any other appropriate process determined by the Board, if so necessary, in consultation with the Committee.
- 3.2 The Committee will monitor the evaluation process and ensure its effective implementation.

4. MEMBERSHIP

- 4.1 The Committee shall consist of at least three Directors, all of whom shall be non executive and the majority Independent.
- 4.2 The Committee shall meet at least once in a financial year.
- 4.3 Minimum one-third of its total strength or two (2) members, whichever is greater including at least one independent Director in attendance, shall constitute the

quorum for a Committee Meeting. However, Meetings can be conducted by circulation as well as through tele-conferencing and/or video conferencing or any other audio visual means. .

4.4 Committee Members will continue in office at the pleasure of the Board.

5. CHAIRMAN

5.1 The Chairman of the Committee shall be an Independent Director appointed by the Board not being the Chairman of the Board.

5.2 In the absence of the Chairman, Members of the Committee present at a Meeting shall choose one amongst them to act as Chairman.

6. COMMITTEE MEMBERS' INTEREST

A Committee Member shall desist from participating in proceedings when his or her own remuneration is being discussed or when his or her own performance is under evaluation or discussion.

7. INVITATION OF COMPANY EXECUTIVES/ OUTSIDE EXPERTS TO MEETINGS

The Committee may invite such Company Executives or outside experts, as it considers appropriate, to be present at meetings of the Committee. They will not, however, have the power to vote.

8. SECRETARY

The Company Secretary of the Company shall act as the Secretary of the Committee.

9. VOTING

9.1 Matters arising for determination at Committee Meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed to be the decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the Meeting will have a casting vote.

10. DUTIES

The Committee's Duties will be as per its Role and Objectives as set out in Clause 1 above and as may be prescribed by the Act and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.

11. UPDATES

11.1 The above Policy duly updated as per the current laws in force was approved by the Board at its 12th February, 2019 Meeting.

11.2 The Board reserves the right to update the Policy from time to time depending upon requirements.