



KENNAMETAL INDIA LIMITED
Nomination and Remuneration Committee Charter
(Amended and effective May 11, 2022)

1. Preamble

This charter sets out the composition, membership and responsibilities of the Nomination and Remuneration Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Kennametal India Limited (the “**Company**”). The Committee has been established by requisite resolution of the Board and is to be known as the Nomination and Remuneration Committee. Its terms of reference shall replace the terms of reference of any pre-existing remuneration committee.

2. Roles

The role of the Committee, inter-alia, includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
 - 1A. For every appointment of an 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. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

6. Recommend to the board, all remuneration, in whatever form, payable to senior management.
7. Periodically reviewing the size and composition of the Board to have an appropriate mix of executive non-executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company. The Committee shall also assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge & skills.
8. Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.
9. All other roles and responsibilities as may be prescribed under the applicable laws for the time being in force.

3. Composition & Membership

- i. The Committee shall be comprised of not less than three members (all consisting of Non-executive Directors) appointed by the Board and two-third of whom shall be Independent Directors of the Company (including for this purpose, the Chairman of the Board). Independence for the purposes of this Committee shall be determined by reference to the criteria set out in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and SEBI Guidelines, if any. The Chairman of the Company may be appointed as a member of the Committee but shall not chair such Committee.
- ii. The members of the Committee shall be appointed by the Board and may be removed at any time with or without cause and be replaced by the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Chair of the Committee shall be designated by the Board, or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full committee. In the absence of the Committee Chairman, the members attending shall elect one of them to be chairman for that meeting from amongst the independent non- executive directors.
- iii. The quorum for meetings of the Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

4. Meetings

- i. The Committee shall meet or hold audio-visual meetings as often as it deems appropriate to discharge its goals and responsibilities, but not less than one (1) meeting each year or such number of times as may be required by law from time to time. The Committee may request any officer or employee of the Company or the Company's outside counsel or other advisor to attend any specific meetings of the Committee or to meet with any members of, or consultants to, the Committee.

- ii. The Committee shall have access to the services of the Company's secretariat function on all Committee matters, including assisting the Committee Chairman in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support.

5. Notice, Proceedings of the Meetings

- i. Meetings of the Committee shall be convened by the Company Secretary at the request of the Committee Chairman or any of its members.
- ii. The head of Human Resources of the Company may assist the committee as required and may attend the meetings of the Committee as per requirement on invitation.
- iii. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive Directors (save where a conflict of interest may exist), no later than two working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- iv. The Secretary shall minute the proceedings and the resolutions of all Committee meetings, including the names of those present and in attendance.
- v. The Committee Chairman shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities raised at that meeting.

6. Goals and Responsibilities

- i. Evaluate the existing composition of the Board and assess Board membership needs.
- ii. Recommend to the Board for approval, and review on an annual basis, criteria, including desired skills and attributes, for selecting new directors.
- iii. Conduct searches for, and identify, qualified candidates for membership to the Board, consistent with criteria approved by the Board.
- iv. Review and recommend to the Board the compensation of the members of the Board, which may include, but is not limited to, sitting fees, Commission, benefits and perquisites, as appropriate.
- v. To ensure that on appointment to the Board, non-executive Independent Directors receive a formal letter of appointment.
- vi. Annually, the Committee shall determine and approve the compensation of the Managing Director which would include i) annual guaranteed salary, ii) incentive awards (short term & long term), iii) any special or supplemental compensation & benefits, iv) perquisites provided during employment and v) severance or termination compensation.

- vii. When determining the compensation, incentive (short term & long term) & perquisites of the Managing Director, the Committee shall consider the Company's performance, the individual's performance during the year and relative shareholder return and value of similar incentive awards to Managing Directors in comparable companies and the awards given to the Managing Director in the past years.
- viii. Annually, review the compensation of the Key Managerial Personnel and Senior Management of the Company based on the recommendation from Kennametal leadership which would include i) annual guaranteed salary, ii) incentive awards (short term & long term) and any special or supplemental compensation or benefits.
- ix. When reviewing the compensation, incentive awards (short term & long term) of the Key Managerial Positions, the Committee would consider the annual performance rating of the individual, compensation & benefits provided to such positions in comparable companies in terms of available market data.
- x. Review the incentive plans for the Managing Director, Key Managerial Personnel, Senior Management and employees of the Company to determine whether they encourage meeting and exceeding the business objectives and annual operating plan of the Company and are aligned to incentive plans of comparable companies and overall compensation philosophy of Kennametal Inc. ("Kennametal").
- xi. Review and approve all incentive compensation, equity-based plans & deferred compensation plans for the Managing Director, Key Managerial Personnel and Senior Management Positions.
- xii. Periodically review compensation activities to ensure total compensation actions are in compliance to the Kennametal principles & philosophy and such principles are consistent and competitive in design and application.
- xiii. Evaluation of the directors and the Board including the Committees of the Board shall be carried on based on the questionnaire after discussion with the Board.

7. Other Functions

The Committee shall:

- i. Have the authority to engage independent legal, accounting or other advisors, at the Company's expense, as it deems necessary or appropriate.
- ii. Perform an annual performance self-evaluation of the Committee, the results of which shall be submitted and reported to the Board on a regular basis.
- iii. Have the authority to delegate any of its goals and responsibilities (or functions) to a subcommittee of the Committee consisting of one or more members, as appropriate; provided, that any such delegation does not result in the violation of any applicable laws, rules or regulations.

- iv. Review and reassess its charter annually and recommend any changes to the Board for approval.
- v. Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.
