



## STANDARD PROCEDURE

**PROCEDURE NO.:** KIL Legal - 02

**REVISION:** 01      **PAGE:** 1 of 6

**SUBJECT / TITLE: Kennametal India Limited (KIL) Policy on Board Diversity**

This page is a record of all revisions of the Procedure or Work Instruction.	For convenience, the nature of the revision is briefly noted under remarks. Please review the attached procedure to assure complete understanding of all relevant changes, additions, or deletions. Unless otherwise stated, this revision should be implemented upon receipt.
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REV.	BY	PAGES	REMARKS
00	Kundan	1	Original Release
01	Naveen	1 - 6	Amended and updated with factors to consider Directors' skill matrix

REV.	ISSUED BY	APPROVED BY	APPROVAL DATE
00	Mr. Kundan K Lal	Board of Directors of KIL	May 5, 2015
01	Mr. Naveen Chandra	Board of Directors of KIL	August 12, 2022



**KENNAMETAL**  
**KENNAMETAL INDIA LIMITED**

**POLICY ON BOARD DIVERSITY**

**1. Purpose of this Policy:**

This Policy on Board Diversity (the “**Policy**”) sets out the Kennametal India Limited’s (the “**Company**”) approach to ensuring adequate diversity in its Board of Directors (the “**Board**”) and is devised in consultation with the Nomination and Remuneration Committee (the “**Committee**”) of the Board in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI (LODR) Regulations, 2015**”) and provisions under the Companies Act, 2013.

To ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination, and based on various factors, including appropriate mix of varied cultural, geographical background and gender diversity.

**2. Policy Statement:**

The Company believes that a diverse board will enhance the decision making of the Board by utilizing the difference in skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of services, and other distinguishing qualities of the members of the Board. Diversity will be considered in determining the optimum composition of the Board, and all appointments will be based on merit, having due regard to the overall effectiveness of the Board.

The Committee is responsible for reviewing and assessing the composition of the Board and will make recommendations to the Board on the appointment of new directors. The Committee will also review the structure, size and diversity of the Board annually and make recommendations on any proposed changes to the Board to complement the Company's objectives and strategy.

A detailed note on the factors to consider Directors’ skill matrix is enclosed to the Policy as an **Annexure**.

**3. Monitoring & Reporting:**

The Committee will monitor and implement this Policy and report to the Board on promoting diversity described in section 4 of this Policy.

**4. Review of the Policy:**

The Nomination and Remuneration Committee will review the Policy, from time to time, to ensure the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

**BOARD OF DIRECTORS SKILLS MATRIX**

<b>Sl. No.</b>	<b>Skill Matrix</b>
<b>A</b>	<b>REGULATORY MATTERS</b>
1	Financial Expert (As defined in the Companies Act, 2013 and SEBI Regulations)
2	Independent Director (As defined in the Companies Act, 2013 and SEBI Regulations)
<b>B</b>	<b>EXPERIENCE / SKILLS</b>
1	CEO Experience
2	Corporate Finance
3	Corporate Governance / Corporate Responsibility
4	Current or Recent Executive Experience
5	Diversity
6	Environmental / Health / Safety
7	Government / Military
8	Industry / Manufacturing Knowledge
9	International
10	Legal – Transactions
11	Operations / Production
12	Public Company Board Experience
13	Risk Management
14	Sales & Marketing
15	Strategic Planning
16	Technology / Engineering

## **Regulatory Matters**

The laws, rules and regulations of the Companies Act, 2013, SEBI Regulations and other applicable regulatory authorities set forth certain requirements for Directors of companies. In case of any deviation with the requirement of skill matrix as stated in this policy with the requirement under applicable laws and regulation, the requirement as mentioned in the extant laws and regulations would prevail.

## **Experience / Skills**

### **CEO Experience**

- Active or past chief executive officer of a public company.

### **Corporate Finance**

- Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor, or experience in one or more positions that involve the performance of similar functions.
- Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
- Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements.
- Accounting or related financial management experience for a public company that enables the director to understand the most complex issues of accounting and finance that are likely to be encountered in the course of the company's business.
- Any individual that is designated an "audit committee financial expert" will automatically be deemed to have the requisite experience and expertise under this category.

### **Corporate Governance / Corporate Responsibility**

- Education and experience with the rules, practices and processes that govern public companies, such as compliance requirements, regulations and laws that ensure that companies are fair to their shareholders, customers, and employees, and which promotes fair competition within its industry.
- Experience in leading or managing a company's corporate responsibility initiatives or business model toward social accountability to itself, its stakeholders, and the community (including economic, social, and environmental matters).

### **Current or Recent Executive Experience**

- Experience as a chief financial officer, chief accounting officer, president, vice president in charge of a principal business unit, division or function (such as sales, administration or finance), or any other officer who performs a policy making function for a company.

### **Diversity**

- Member of a minority or other diverse classification.
- Other experience structuring or implementing diversity initiatives designed to bring together individuals of varied demographic, cultural, and ethnic backgrounds.

**Environmental / Health / Safety**

- Undergraduate or graduate degree in areas relating to environmental sciences, health and safety, or engineering.
- Executive or management experience with the design, implementation, monitoring or oversight of environmental, health and safety initiatives.
- Professional experience with a central, state, or local agency that regulates environmental or safety matters.

**Government / Military**

- Employment by a central, state, or local government or regulatory authority.
- Executive or management experience in a company that produces goods or services under contract for the government and/or the military.

**Industry / Manufacturing Knowledge**

- Experience as an executive or director of an industrial manufacturing company with cyclical operations.

**International**

- Executive or management experience with international operations and / or cross border transactions.
- Professional work experience as an expatriate or otherwise outside of India.
- Have lived outside of India and /or traveled abroad extensively.
- Non-Indian citizen.

**Legal – Transactions**

- Executive, legal, investment banking, or similar experience with the negotiation, structuring, execution, and implementation of corporate transactions or restructuring activities.
- Familiarity with common deal structures (asset acquisitions, mergers, stock purchases) and corresponding regulatory matters.

**Operations / Production**

- Experience managing production or manufacturing operations in an industrial manufacturing or similar industry manufacturing company.

**Public Company Board Experience**

- Served on the Board of any Public Company as a Director.

**Risk Management**

- Executive or management experience with the monitoring or oversight of an Enterprise Risk Management system, inclusive of operational, financial, strategic, compliance and reputational risks.
- Executive or management experience with cybersecurity, cybersecurity risk analysis and associated mitigation efforts.
- Executive or management experience with talent risk management.

**Sales & Marketing**

- Education or experience in areas of marketing operations, sales operations, branding, public relations, sales management, customer service, new account acquisition, business development, partnership marketing, strategic relationships, commercial and / or retail marketing.
- Experience with the design, implementation or oversight of marketing strategies, policies, procedures and objectives for marketing and selling products and services.

**Strategic Planning**

- Experience in the design, implementation and oversight of a 3-5 year strategic plan (both financial and operational), mission and vision.

**Technology / Engineering**

- A 4-year and/or higher degree in engineering or a technology-based program.
- Experience with general business planning regarding technology and systems required to maintain company operations and competitiveness, including product development.
- Understanding of project management methodologies and applicable processes.

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