

NOMINATION, REMUNERATION & BOARD EVALUATION POLICY

KUSAM ELECTRICAL INDUSTRIES LIMITED

A) CRITERIA FOR EVALUATING DIRECTORS, KEY MANAGERIAL PERSON AND OTHER EMPLOYEES:

1. Personal Specification for Directors

1.1 Qualification:

- Degree holder in relevant disciplines (e.g. management, accountancy, legal);
- Recognised specialist

1.2. Experience:

- Experience of management in a diverse organization
- Experience in accounting and finance, administration, corporate and strategic planning or fund management
- Demonstrable ability to work effectively with a Board of Directors

2. Skills:

- Excellent interpersonal, communication and representational skills
- Demonstrable leadership skills
- Extensive team building and management skills
- Strong influencing and negotiating skills
- Having continuous professional development to refresh knowledge and skills

3. Abilities and Attributes:

- Commitment to high standards of ethics, personal integrity and probity
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the work place.

4. Independence:

- Person of integrity and possesses relevant expertise and experience
- Not a promoter of the company or its holding, subsidiary or associate company
- Not related to promoters or directors in the company, its holding, subsidiary or associate company.
- No pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during current & immediately preceding 2 financial years
- Relatives do not have pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, exceeding the lower amount of 2% or more of total income or Rs. 50 Lacs or prescribed amount during current & immediately preceding 2 financial years
- Neither person nor relatives hold position of a key managerial personnel or employee of the company or its holding, subsidiary or associate company in any of the 3 financial years immediately preceding the financial year of proposed appointment,
- Not an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year of proposed appointment of a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company or any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% per cent. or more of the gross turnover of such firm

- Not holds together with relatives 2% per cent. or more of the total voting power of the company; or is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company
- Such other qualifications that may be prescribed.

B) BOARD EVALUATION:

As per the Company's Board Evaluation Policy, approved by the Board of Directors, the performance criteria are as follows:

i) The performance evaluation criteria of the Board includes:-

- a) Growth in Business volumes and profitability, compared to earlier periods;
- b) Growth over the previous years through inorganic expansion;
- c) Transparency and fairness in Board Decision making processes.

ii) The performance evaluation criteria of Individual Directors and Committees includes:-

- a) Attendance record and intensity of participation at meetings,
- b) Quality of interventions,
- c) Special contributions and
- d) Inter-personal relationships with other Directors and management