

KAJARIA CERAMICS LIMITED

PROPOSED TERMS & CONDITIONS FOR APPOINTMENT OF DR. LALIT KUMAR PANWAR AS AN INDEPENDENT DIRECTOR OF THE COMPANY

1. Appointment

- Your appointment will be as a Non-Executive Independent Director on the Board of Directors of the Company for the period of five consecutive years w.e.f. the conclusion of the 36th Annual General Meeting ('AGM') of the Company. The said appointment is subject to the criteria of eligibility as defined under the provisions of the Act and Listing Regulations, as amended from time to time, for being an Independent Director and not being disqualified to be a Director under the applicable laws / regulations.
- In compliance with the provisions of the Section 149(13) of the Act, your directorship is not subject to retirement by rotation.
- This is a contract for service and is not a contract of employment.

2. Role on the Board and Committees of Board

You are expected to provide your expertise and experience, *inter-alia*, in the fields of Management, Planning, Governance, etc. or as may be required by the Board, from time to time and bring objectivity and independence in the functioning of the Board and the Committees of the Board you may be nominated.

In addition to Board meetings, it is anticipated that you will devote your time for committee meetings (as and when conducted), general meetings and to discharge your other ancillary and fiduciary duties effectively.

As per the required constitution of the Committees of Board under the Act and Listing Regulations, you may be appointed on one or more committees of the Board and in such event you will be provided with relevant committee's terms of reference and other specific responsibilities, if any. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members.

In compliance with the provisions of the Act and Listing Regulations, an Independent Directors meeting needs to be conducted at least once in a year, in order to discuss the performance of the Company, risks faced by the Company, and the performance of executive members of the Board including the Chairperson.

3. Duties and Liabilities

The duties and liabilities that come with your appointment as a Non-Executive Independent Director would be as per the Act, Listing Regulations and applicable laws, if any, the existing and future policies of the Company, as implemented from time to time and the Articles of Association of the Company. There are certain prescribed duties for all the directors of the Company which are fiduciary in nature including the followings:

- To act in accordance with the Company's Articles of Association as may be amended from time to time.
- To act in good faith in order to promote the objects of the Company for the benefit of its members as a whole and in the best interest of the Company.
- To abide by the 'Code for Independent Directors' as per Schedule IV of Act and 'Kajaria's Code of Business Conduct & Ethics', as amended from time to time.

- To make disclosure as required under the Act, the Listing Regulations and other applicable laws including disclosures as per the provisions of Sections 184 & 164 of the Act read with Listing Regulations.
- Not to assign office as Director and any of the assignments so entered shall be treated as null and void.
- Not to achieve or attempt to achieve any undue gain or advantage either to himself or to your relatives, partners or associates.
- Not to involve in a situation in which you may have a direct or indirect interest that conflicts or possibly may conflict with the interest of the Company.
- To review the Company's strategy, the annual financial plan and monitor the Company's performance.
- To review management performance and compensation.
- To advice and counsel the Management.
- To oversee and ensure the integrity of financial information and legal compliance.
- To seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company.
- To give consent by advance notification to the Chairman or Company Secretary to participate in any meeting(s) of the Board or Committee(s) thereof, when necessary through audio visual means.

4. Independence

The Board, inter-alia, has given due consideration to your declaration of being qualified as an 'Independent' in accordance with the provisions of Act and the Listing Regulations. You are expected to be qualified as an 'Independent' during your tenure and provide periodic declaration to the effect as required under the Act and Listing Regulations. You will be identified as an 'Independent Director' in the Annual Report and other documents/publications of the Company. If circumstances change and you believe that it may not be possible for you to retain your independence, you must inform this with the Company / the Chairman of the Company.

5. Evaluation Process

Subject to the provisions of the Act read with the Listing Regulations, the Company will carry out an evaluation of the performance of the Board as a whole, Committees of Board and the Directors on an annual basis. Your appointment on the Board shall be subject to the outcome of the yearly evaluation process.

Further, your performance evaluation shall be done by the Board of Directors annually, without your participation. You will participate in reviewing the performance of non-independent directors and the Board as a whole, performance of the Chairman and other Independent Directors, in accordance with the applicable provisions of the Act and the Listing Regulations.

6. Code of Business Conduct & Ethics

You will follow the Kajaria's Code of Business Conduct & Ethics and furnish an annual affirmation of the same.

You will apply the highest standards of confidentiality, and not disclose to any person or company or entity (whether during the course of the tenure as Independent Director or at any time after its cessation), any confidential information concerning the Company and any subsidiary/group

companies with which you come into contact by virtue of your position as a Director, except as permitted/required by law or with prior clearance from the Chairman or Company Secretary of the Company.

7. Disclosure of Interest

Any material interest that you may have in any transaction or arrangement that the Company has entered into should be disclosed not later than the transaction or arrangement comes up at the Board Meeting so as to avoid conflict of interest, if any and to record your interest appropriately in the minutes and the records are updated regularly. A general notice that you are interested in any contract with the particular person, firm or company is acceptable.

8. Prohibition on Insider Trading

Subject to the provisions of the Act and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time ('Insider Trading Regulations'), you will be considered as the 'Designated Person' and 'Insider' and any trade in shares of Kajaria Ceramics Limited by you and your Immediate Relative(s) will be subject to appropriate statutory disclosures and will require approvals in accordance with the applicable regulations.

Further, you shall follow the Kajaria's Code of Conduct for Prevention of Insider Trading and the requirements under the Act and the Insider Trading Regulations, which, inter-alia, requires that price sensitive information is not used or transmitted and is required to be maintained securely. You should not make any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary of the Company.

9. Remuneration

You will be entitled to sitting fees in accordance with the criteria, as approved by the Board, on the recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of Act, rules made thereunder and the Listing Regulations, which shall be within the overall limits approved by the shareholders of the Company, if required. You will also be entitled to remuneration, if any, payable for attending the meetings of the Board or Committee thereof either personally or through video conference or other audio visual means or for any other purpose whatsoever as may be decided by the Board, subject to provisions of the applicable laws. The sitting fees or remuneration, if any, payable shall be subject to applicable tax deduction at source.

In addition to the above, you will be entitled to the reimbursement of all the expenses for participating in the meetings of the Board / its Committee(s) and other meetings, if any.

10. Changes in Personal Details

- During the term, you shall promptly intimate the Company Secretary and the concerned Registrar of Companies in the prescribed manner, of any change in address or other contact or personal details provided to the Company.
- In the event any of your business interest changes, which might give rise to conflict of interest or when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this must be disclosed immediately to both the Chairman and the Company Secretary of the Company.

11. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with applicable laws. Apart from the grounds of termination as specified in Act and other applicable laws, your directorship may be terminated for violation of any provision of Kajaria's Code of Conduct as applicable to the Directors.

You may resign from directorship of the Company by giving a notice in writing to the Company and

stating the reason for resignation, as per the provisions of the Act read with the Listing Regulations. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by him in the notice, whichever is later, subject to applicable laws.

If at any stage during the term, there is any change that may affect your status as the Independent Director as envisaged in Section 149(6) read with Schedule IV of the Act or if you fail to meet the criteria for 'Independence' as prescribed under the Listing Regulations, you agree to promptly submit your resignation to the Company with effect from the date of such change.

12. General

All the terms as mentioned above including your appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed by the Act and Rules made thereunder read with the Listing Regulations and other applicable laws, if any, as amended from time to time.

The letter of appointment will be issued under the authority of the Board. Further, this letter and any non-contractual obligations arising out of and in connection with this letter are governed by and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of Delhi.

In line with the provisions of the Act and Listing Regulations, the letter of appointment will be open for inspection by any member of the Company and the Company will also post the terms and conditions of the appointment on the Company's website www.kajariaceramics.com

KAJARIA CERAMICS LIMITED

PROPOSED TERMS & CONDITIONS FOR APPOINTMENT OF MR. SUDHIR BHARGAVA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

1. Appointment

- Your appointment will be as a Non-Executive Independent Director on the Board of Directors of the Company for the period of five consecutive years w.e.f. the conclusion of the 36th Annual General Meeting ('AGM') of the Company. The said appointment is subject to the criteria of eligibility as defined under the provisions of the Act and Listing Regulations, as amended from time to time, for being an Independent Director and not being disqualified to be a Director under the applicable laws / regulations.
- In compliance with the provisions of the Section 149(13) of the Act, your directorship is not subject to retirement by rotation.
- This is a contract for service and is not a contract of employment.

2. Role on the Board and Committees of Board

You are expected to provide your expertise and experience, *inter-alia*, in the fields of Management, Planning, Governance, etc. or as may be required by the Board, from time to time and bring objectivity and independence in the functioning of the Board and the Committees of the Board you may be nominated.

In addition to Board meetings, it is anticipated that you will devote your time for committee meetings (as and when conducted), general meetings and to discharge your other ancillary and fiduciary duties effectively.

As per the required constitution of the Committees of Board under the Act and Listing Regulations, you may be appointed on one or more committees of the Board and in such event you will be provided with relevant committee's terms of reference and other specific responsibilities, if any. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members.

In compliance with the provisions of the Act and Listing Regulations, an Independent Directors meeting needs to be conducted at least once in a year, in order to discuss the performance of the Company, risks faced by the Company, and the performance of executive members of the Board including the Chairperson.

3. Duties and Liabilities

The duties and liabilities that come with your appointment as a Non-Executive Independent Director would be as per the Act, Listing Regulations and applicable laws, if any, the existing and future policies of the Company, as implemented from time to time and the Articles of Association of the Company. There are certain prescribed duties for all the directors of the Company which are fiduciary in nature including the followings:

- To act in accordance with the Company's Articles of Association as may be amended from time to time.
- To act in good faith in order to promote the objects of the Company for the benefit of its members as a whole and in the best interest of the Company.
- To abide by the 'Code for Independent Directors' as per Schedule IV of Act and 'Kajaria's Code of Business Conduct & Ethics', as amended from time to time.

- To make disclosure as required under the Act, the Listing Regulations and other applicable laws including disclosures as per the provisions of Sections 184 & 164 of the Act read with Listing Regulations.
- Not to assign office as Director and any of the assignments so entered shall be treated as null and void.
- Not to achieve or attempt to achieve any undue gain or advantage either to himself or to your relatives, partners or associates.
- Not to involve in a situation in which you may have a direct or indirect interest that conflicts or possibly may conflict with the interest of the Company.
- To review the Company's strategy, the annual financial plan and monitor the Company's performance.
- To review management performance and compensation.
- To advice and counsel the Management.
- To oversee and ensure the integrity of financial information and legal compliance.
- To seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company.
- To give consent by advance notification to the Chairman or Company Secretary to participate in any meeting(s) of the Board or Committee(s) thereof, when necessary through audio visual means.

4. Independence

The Board, inter-alia, has given due consideration to your declaration of being qualified as an 'Independent' in accordance with the provisions of Act and the Listing Regulations. You are expected to be qualified as an 'Independent' during your tenure and provide periodic declaration to the effect as required under the Act and Listing Regulations. You will be identified as an 'Independent Director' in the Annual Report and other documents/publications of the Company. If circumstances change and you believe that it may not be possible for you to retain your independence, you must inform this with the Company / the Chairman of the Company.

5. Evaluation Process

Subject to the provisions of the Act read with the Listing Regulations, the Company will carry out an evaluation of the performance of the Board as a whole, Committees of Board and the Directors on an annual basis. Your appointment on the Board shall be subject to the outcome of the yearly evaluation process.

Further, your performance evaluation shall be done by the Board of Directors annually, without your participation. You will participate in reviewing the performance of non-independent directors and the Board as a whole, performance of the Chairman and other Independent Directors, in accordance with the applicable provisions of the Act and the Listing Regulations.

6. Code of Business Conduct & Ethics

You will follow the Kajaria's Code of Business Conduct & Ethics and furnish an annual affirmation of the same.

You will apply the highest standards of confidentiality, and not disclose to any person or company or entity (whether during the course of the tenure as Independent Director or at any time after its cessation), any confidential information concerning the Company and any subsidiary/group

companies with which you come into contact by virtue of your position as a Director, except as permitted/required by law or with prior clearance from the Chairman or Company Secretary of the Company.

7. Disclosure of Interest

Any material interest that you may have in any transaction or arrangement that the Company has entered into should be disclosed not later than the transaction or arrangement comes up at the Board Meeting so as to avoid conflict of interest, if any and to record your interest appropriately in the minutes and the records are updated regularly. A general notice that you are interested in any contract with the particular person, firm or company is acceptable.

8. Prohibition on Insider Trading

Subject to the provisions of the Act and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time ('Insider Trading Regulations'), you will be considered as the 'Designated Person' and 'Insider' and any trade in shares of Kajaria Ceramics Limited by you and your Immediate Relative(s) will be subject to appropriate statutory disclosures and will require approvals in accordance with the applicable regulations.

Further, you shall follow the Kajaria's Code of Conduct for Prevention of Insider Trading and the requirements under the Act and the Insider Trading Regulations, which, inter-alia, requires that price sensitive information is not used or transmitted and is required to be maintained securely. You should not make any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary of the Company.

9. Remuneration

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In addition to the above, you will be entitled to the reimbursement of all the expenses for participating in the meetings of the Board / its Committee(s) and other meetings, if any.

10. Changes in Personal Details

- During the term, you shall promptly intimate the Company Secretary and the concerned Registrar of Companies in the prescribed manner, of any change in address or other contact or personal details provided to the Company.
- In the event any of your business interest changes, which might give rise to conflict of interest or when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this must be disclosed immediately to both the Chairman and the Company Secretary of the Company.

11. Termination

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You may resign from directorship of the Company by giving a notice in writing to the Company and

stating the reason for resignation, as per the provisions of the Act read with the Listing Regulations. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by him in the notice, whichever is later, subject to applicable laws.

If at any stage during the term, there is any change that may affect your status as the Independent Director as envisaged in Section 149(6) read with Schedule IV of the Act or if you fail to meet the criteria for 'Independence' as prescribed under the Listing Regulations, you agree to promptly submit your resignation to the Company with effect from the date of such change.

12. General

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The letter of appointment will be issued under the authority of the Board. Further, this letter and any non-contractual obligations arising out of and in connection with this letter are governed by and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of Delhi.

In line with the provisions of the Act and Listing Regulations, the letter of appointment will be open for inspection by any member of the Company and the Company will also post the terms and conditions of the appointment on the Company's website www.kajariaceramics.com
