

**CSW INDUSTRIALS, INC.**  
**COMPENSATION AND TALENT DEVELOPMENT**  
**COMMITTEE CHARTER**

**Purposes**

The Compensation and Talent Development Committee (the “Committee”) of the Board of Directors (the “Board”) of CSW Industrials, Inc. (the “Company”) establishes and administers the Company’s policies, programs and procedures for compensating and providing benefits to its senior management and the Board. Among other things, the Committee has direct responsibility to:

- (1) determine, or recommend to the Board for determination, the compensation of the Company’s Chief Executive Officer; and
- (2) determine, or recommend to the Board for determination, the compensation of the other executive officers of the Company.

**Composition**

*Size.* The size of the Committee will be determined by the Board, subject to any requirements or limitations in the Company’s Certificate of Incorporation or Bylaws, but will consist of no fewer than three members, subject to applicable phase-in rules. In the event of the resignation or removal of a Committee member, the Committee may from time to time operate with fewer than three members if such composition is allowed under the Company’s Certificate of Incorporation or Bylaws and all applicable laws, rules and regulations.

*Qualifications.* Each Committee member will meet the independence criteria of the listing requirements of the Nasdaq Stock Market (“Nasdaq”) for compensation committee members, subject to the exemptions provided by the Nasdaq rules, any other requirements imposed by the Company’s Corporate Governance Guidelines and any other applicable legal requirements. In appointing members of the Committee, it is the Board’s intent that at all times at least two Committee members be (a) “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code and (b) “non-employee directors” for purposes of Rule 16b-3 of the Securities Exchange Act of 1934 (the “Exchange Act”). Notwithstanding the foregoing and if the Committee is comprised of at least three members, one member of the Board who (a) does not meet the independence criteria of the listing requirements of Nasdaq for membership on the Committee and (b) is not a current officer or employee of the Company or a family member of an officer or employee of the Company, may be appointed to the Committee if the Board, under exceptional and limited circumstances, determines that such member’s membership on the Committee is required in the best interests of the Company and its stockholders and the Board discloses, in the Company’s next annual proxy statement, the nature of the relationship of such member with the Company and the reasons for the determination of the Board, provided that such member may not serve longer than two years on the Committee. Desirable qualifications for Committee members include literacy in executive compensation and employee benefit matters and other experience in business management, executive compensation, employee benefits and human resources.

Notwithstanding the foregoing qualifications, all actions taken by the duly appointed members of the Committee in accordance with the Bylaws of the Company shall be the valid actions of the Committee.

***Selection.*** The Board selects Committee members, including to fill member vacancies following the resignation or removal of a Committee member, based on recommendations of the Nominating and Corporate Governance Committee. The Committee Chair will be selected as set forth in the Company's Corporate Governance Guidelines.

***Resignation and Removal.*** Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member. A Committee member may resign from the Committee upon written notice to the Board. Resignation from the Committee does not automatically resign the member from the Board.

### **Authority and Responsibilities**

The Committee has the following authority and responsibilities:

- (1) Establish and Review Compensation Policies and Programs. The Committee will develop and implement the Company's compensation policies and programs for executive officers and Board members. The Committee will review and approve, at least annually, the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purposes and recommend any appropriate modifications.
- (2) Review and Approve Compensation. The Committee will review and approve, at least annually, corporate goals and objectives relevant to the compensation of the Chief Executive Officer and the other executive officers of the Company. The Committee will, either as a Committee or together with other independent directors (as directed by the Board), evaluate the performance of the executive officers in the light of those corporate goals and objectives and set compensation levels for these executive officers based on those evaluations and any other factors as it deems appropriate.
- (3) Recommend Incentive Compensation Plans. The Committee will make recommendations to the Board with respect to the approval, adoption and amendment of all cash- and equity-based incentive compensation plans in which any executive officer of the Company participates. In determining the long-term incentive component of the Chief Executive Officer's and other executive officers' compensation, the Committee will, among other things, consider the Company's performance and relative stockholder return, the value of similar incentive awards to the Chief Executive Officer and other executive officers at comparable companies and the awards given to the Company's Chief Executive Officer and other executive officers in past years.

- (4) Recommend Equity-Based Plans. The Committee will also make recommendations to the Board with respect to the approval, adoption and amendment of all other equity-based plans.
- (5) Administer Compensation Plans. The Committee will administer the Company's equity-based incentive compensation plans and other plans adopted by the Board that contemplate administration by the Committee. The Committee, or a subcommittee of the Committee, will approve all grants of stock options, stock appreciation rights, restricted stock or other similar equity-based awards, subject to the terms and conditions of applicable plans. The Committee's administrative authority will include the authority to approve the acquisition by the Company of shares of the Company's stock from any plan participant.
- (6) Oversee Regulatory Compliance. The Committee will, in consultation with appropriate officers of the Company, oversee regulatory compliance with respect to compensation matters, including overseeing any compensation programs intended to preserve tax deductibility, and, as may be required, establishing performance goals and determining whether performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
- (7) Review Employment and Severance Arrangements. The Committee will review and approve any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any executive officer of the Company. The Committee will review and approve any severance or other termination payments proposed to be made to any executive officer of the Company.
- (8) Review Director Compensation. The Committee will periodically review director compensation in relation to other comparable companies and in the light of such other factors as the Committee may deem appropriate. The Committee will discuss this review with the Board. Proposed changes in Board compensation will initially be reviewed by the Committee, but any changes in compensation of directors will require the approval of the Board.
- (9) Review Compensation Discussion and Analysis. The Committee will review and discuss the Compensation Discussion and Analysis ("CD&A") section of the proxy statement with any outside advisor the Committee deems appropriate and with management, including the Chief Executive Officer and the Chief Financial Officer, and make a recommendation to the Board as to whether the CD&A be included in the Company's annual report and proxy statement.
- (10) Succession Planning and Talent Development. The Committee will review succession planning for the Company's executive officers and key leadership positions, which will include appropriate contingencies in case of retirement, resignation or incapacity. The Committee will advise and assist the Board and the Chief Executive Officer in connection with talent development, including reviewing open roles, future talent needs and the Company's recruitment, development and retention strategies.

- (11) Preparation of Compensation Committee Report. The Committee will prepare, with the assistance of management and any outside advisors the Committee deems appropriate, an annual Compensation Committee Report for inclusion in the Company's proxy statement in the manner required by the Securities and Exchange Commission's rules and regulations.
- (12) Committee Reports to the Board. The Committee will regularly report its activities to the Board in such manner and at such times as the Committee or the Board deem appropriate.
- (13) Other Delegated Duties or Responsibilities. The Committee will perform any other duties or responsibilities delegated to the Committee by the Board from time to time.

## **Meetings**

The Committee will meet as frequently as necessary to carry out its responsibilities under this Charter at such times, places and by such means as the Committee Chair may determine. The Committee Chair, in consultation with the other members of the Committee and senior management of the Company, will establish the agenda for each Committee meeting. Any Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. A majority of the Committee members will constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance will be the act of the Committee, unless a greater number is required by law, the Company's Certificate of Incorporation or its Bylaws. The Committee Chair will supervise the conduct of the meetings and will have other responsibilities as the Committee may specify from time to time.

The Committee will meet periodically in executive session without Company management present. However, the Committee may request any officer or other employee of the Company, or any representative of the Company's legal counsel or other advisors, to attend a meeting or to meet with any members or representatives of the Committee. Any individual whose performance or compensation is to be discussed at a Committee meeting should not attend such meeting unless specifically invited by the Committee. Notwithstanding the foregoing, the Chief Executive Officer may not be present while the Committee is voting or deliberating on the Chief Executive Officer's compensation. Any Committee member may be excused from a meeting to permit the remaining members of the Committee to act on any matter in which such member's participation is not appropriate, and such member's absence will not destroy the quorum for the meeting. The Committee may act by unanimous written consent.

## **Delegation**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the

Committee who are (a) “non-employee directors” within the meaning under Rule 16b-3 of the Exchange Act and (b) “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code.

### **Resources and Authority**

The Committee will have appropriate resources and authority to discharge its responsibilities, including, without limitation, appropriate funding provided by the Company, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or other advisor retained by the Committee. The Committee will have the sole authority to retain or obtain the advice of a compensation consultant, legal counsel or other advisor and the sole authority to approve the fees and other retention terms of such compensation consultants, legal counsel and other advisors. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other advisor retained by the Committee.

In selecting, retaining or obtaining the advice of a compensation consultant, legal counsel or other advisor, the Committee shall first consider all factors relevant to that person’s independence from management, including the following factors:

- (1) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other advisor;
- (2) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
- (3) The policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
- (4) Any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;
- (5) Any stock of the Company owned by the compensation consultant, legal counsel or other advisor; and
- (6) Any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of the Company.

Notwithstanding the foregoing, the Committee is not required to conduct an independence assessment for a compensation advisor that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular

issuer or that is customized based on parameters that are not developed by the advisor, and about which the advisor does not provide advice.

### **Annual Review**

At least annually, the Committee will (a) review this Charter with the Board and recommend any changes to the Board and (b) evaluate its own performance against the requirements of this Charter and report the results of this evaluation to the Board. The evaluation will include establishment of the goals and objectives of the Committee for the upcoming year. The Committee will conduct its review and evaluation in such manner as it deems appropriate.

Approved and Adopted: February 22, 2017