



Escorts Limited

Board Diversity Policy

1. Scope

- This Policy on Board Diversity (the "Policy") applies to the Board of Directors (the "Board") of the Escorts Limited ("Escorts" or the "Company"). This Policy was recommended by the Nomination and Remuneration Committee of Directors of the Company (the "NRC") and approved by the Board at its meeting held on January 16, 2015.

2. Purpose

- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that one of the key functions of the Board of a listed Company is to ensure existence of a transparent Board nomination process with a focus on diversity of thoughts, varied experience, industry knowledge, broader perspective, integrity and gender representation as required by the rules in this regard. It also requires the NRC to formulate a Policy on Board Diversity.
- The primary objective of this Policy is to provide a framework and set standards for having a diversified Board with ability to base its decisions after evaluating multiple options as compared to homogeneous Boards and help improve the performance of the organization significantly. A diversified Board not only enhances Board's effectiveness by ensuring rational, pragmatic and quick decision making but also better understands and connects with the stakeholders to attain the Escorts's stated goals and strategic objectives.
- This Policy should be read with the Policy on Appointment of Directors and Members of Senior Management, as amended by the Board of Directors of the Company, from time to time ("Directors Appointment Policy").

3. Policy Implementation

The NRC, under the Directors Appointment Policy, is authorised to select potential candidates, for appointment as Directors to the Board. Whilst selecting potential candidates, the NRC would consider the following:

- When selecting candidates to be appointed as Independent Directors to the Board, the NRC shall ensure that the candidates have the highest levels of personal and

professional ethics and integrity, appropriate skills, knowledge, experience and expertise in one or more fields of business including finance, accounting, management, sales, marketing, administration, research, corporate governance, technical operations, law or any other discipline related to the business of the Company. While evaluating candidates, the NRC shall also consider the qualifications and skill sets of the existing Independent Directors, to ensure an overall diversity in the skill sets of Board as a whole.

- While selecting candidates for appointment to the Board (other than Independent Directors), the NRC shall look at not only the requisite qualifications and skill sets of the candidates but also of the members of the existing Board keeping in mind the current business operations, future growth, diversification plans and also the need to fill in the competency gaps, if any.
- The Company believes in gender diversity. The Company, under the provisions of the Companies Act, 2013, rules made thereunder and the Listing Agreements is required to have at least one woman director on its Board. The NRC, will therefore, also take into consideration the gender of prospective candidates so as to ensure that the Board shall, at all times have at least one woman director. It is clarified that in the event, the Board already has a woman director, the NRC may still recommend another woman candidate who is suitably qualified for appointment as a member of the Board so as to have a more diversified Board.

4. Policy Review

- This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013, rules made thereunder, the Listing Agreements, the Securities and Exchange Board of India Act, 1992 and rules/ regulations/ guidelines made thereunder, the Memorandum and Articles of Association of the Company or as may be otherwise prescribed by the Board, from time to time.
- The NRC may issue/ implement such guidelines, procedures, formats and/ or reporting mechanisms to enforce this Policy as it may deem fit.

5. Disclosure

The Company shall make necessary disclosure about this Policy as mandated under SEBI (Listing obligations and disclosure Requirements) Regulations, 2015.

ESCORTS LIMITED

Corporate Secretariat

Phone : +91-129-2250222, Fax : +91-129-2250060, 2250058

E-mail : corpsl@escorts.co.in Website : www.escortsgroup.com

Registered Office: 15/5, Mathura Road, Faridabad - 121 003, Haryana, India

Corporate Identification Number - L74899HR1944PLC039088