



Nomination, Remuneration & Board Diversity Policy

Amendments

Date of recommendation by Nomination and Remuneration Committee	Date of Board approval

INDEX

S.N.	Particulars	Page No.
1.	Introduction	1
2.	Definitions	1
3.	Applicability	2
4.	Objective	2
5.	Duties of Nomination and Remuneration Committee	2
6.	Criteria for determining qualifications, positive attributes and independence of Directors	3
7.	Criteria for appointment of KMP / Senior Management Personnel and performance evaluation	3 - 4
8.	Term of Executive Directors, KMP and Senior Management Personnel	4
9.	Remuneration to Directors / KMP (<i>non-Board and other than Senior Management</i>) / Senior Management and other employees	4 - 5
10.	Board Diversity	5 - 6
11.	Review and Amendment	6

1. Introduction

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee to align the objectives and goals of the Company with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time-to-time) ('Listing Regulations'). This policy shall be effective from [●].

2. Definitions

“the Act” means Companies Act 2013 and the Rules framed thereunder as may be amended from time- to-time.

“Board” means the Board of Directors of the Company.

“Company” means Raymond Limited.

“Committee” means the Nomination and Remuneration Committee of the Board of Directors.

“Compliance Officer” means the Company Secretary of the Company

“Directors” means members of the Board of Directors of the Company.

“Executive Director” means the Managing Director, Whole-time Director, as the case may be and includes Directors who are in the full time employment of the Company.

“Key Managerial Personnel” shall have the same meaning as in Section 2 (51) of the Act.

“Senior Management” means officers/personnel of the Company who are members of its core management team excluding Board and shall comprise of all members of management one level below the Chief Executive Officer / Managing Director / Whole-time Director / Manager (including CEO / Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer. However, administrative staff shall not be included.

The words and expressions used in this policy not defined herein above will have the same meaning as defined in the Act and Listing Regulations.

3. Applicability

This Policy is applicable to:

- a. Directors (Executive and Non-Executive);
- b. Key Managerial Personnel (KMP);
- c. Senior Management; and
- d. Other employees.

4. Objective

This Policy is intended to achieve the following objectives:

- a) to ensure compliance with Section 178 of the Act and provisions of Listing Regulations and to lay down a framework in relation to remuneration of Directors, KMP and Senior Management of the Company.
- b) to lay down criteria for recommending the appointment and removal of Board Members (Independent Directors, Non-Executive Directors and Executive Directors) Key Managerial Personnel and Senior Management.
- c) To provide framework for remuneration of the Directors, Key Managerial Personnel Senior Management Personnel and other employees and align with the Company's business strategies, values, key priorities and goals.
- d) To lay down approach for Board diversity.

5. Duties of the Nomination and Remuneration Committee

The duties of the Committee in relation to nomination and remuneration matters include:

- 5.1 to help the Board in determining the appropriate size, diversity and composition of the Board;
- 5.2 to recommend to the Board appointment/re-appointment and removal of Directors and Senior Management;
- 5.3 to frame criteria for determining qualifications, positive attributes and independence of Directors;
- 5.4 to recommend to the Board remuneration payable to the Directors and Senior Management (while fixing the remuneration to Executive Directors the restrictions contained in the Act is to be considered);
- 5.5 to create an evaluation framework for Independent Directors and the Board;
- 5.6 to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- 5.7 to assist in developing a succession plan for the Board and Senior Management;
- 5.8 to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- 5.9 delegation of any of its powers to any Member of the Committee or the Compliance Officer.

6. Criteria for determining qualifications, positive attributes and independence of Directors

The Committee shall identify:

- a. Persons who possess adequate qualifications, expertise and experience for the position he / she is considered to be appointed. The person should have knowledge of at least one or more domain areas like, finance, law, management, sales, marketing, administration, research, governance, strategy, operations or other disciplines related to the Company's business.
- b. Person shall uphold ethical integrity, have a pedigree of acting objectively, shall have no adverse order(s) passed by any Regulatory body, should have a proven track-record of meeting professional obligations including a reputation to manage challenges.
- c. An Independent Director should meet with requirements of the Act read with Schedule IV of the Act and provisions of the Listing Regulations.
- d. An Independent Director shall hold office for a term upto 5 consecutive years and will be eligible for re-appointment on passing of a special resolution by the Company and following the procedure under the Act / Listing Regulations.
- e. No Independent Director shall hold office for more than two consecutive terms of maximum 5 years each. In the event the same person is to be appointed as an Independent Director after two consecutive terms of two years, a cooling period of 3 years is required to be fulfilled.

7. Criteria for appointment of KMP / Senior Management Personnel and performance evaluation

- a. The Company has a well-defined and structured recruitment process for Key Managerial Personnel and Senior Management. The President – Human Resources is entrusted with this function and reports to the Chairman and Managing Director of the Company.
- b. The appointment of KMP and Senior Management shall be approved by the Board on prior recommendation of the Nomination and Remuneration Committee.
- c. The management considers various factors while evaluating a person for appointment as senior management including individual's background, business acumen, analytical abilities, competency, skills, abilities (*viz. leadership, ability to exercise sound judgment*), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field *viz.* marketing technology, finance or such other discipline relevant to present and

- prospective operations of the Company;
- d. The appointee while continuing in his / her office shall not engage in any business or commercial activity, which might detrimentally conflict with the interest of the Company.

The KMP and Senior Management shall have a well-defined appraisal and performance evaluation framework. The evaluation process shall be monitored by President - Human Resource Department of the Company and approved by the Chairman and Managing Director.

8. Term of Executive Directors, KMP and Senior Management Personnel

The Company shall appoint or re-appoint Executive Directors for a term not exceeding five years at a time. No re-appointment shall be made earlier than one-year before the expiry of term of the concerned Executive Director.

Directors, KMPs and Senior Management shall retire as per the applicable provisions of the Act and the prevailing Company policy. In the event any Director, KMP and Senior Management attracts any disqualification mentioned in the Act or under any Law, the Committee may recommend to the Board the removal of the said Director, KMP or Senior Management.

9. Remuneration to Directors / KMP (non-Board and other than Senior Management) / Senior Management and other employees

I. Remuneration to Directors

a. Executive Directors

The remuneration to the Executive Directors shall be governed by the provisions of the Act , Listing Regulations or any other enactment for the time being in force. The remuneration shall take into account the Company's Standalone and Consolidated performance, the contribution of the Executive Directors for the same, remuneration trends in general, meeting of appropriate benchmarks (such as remuneration paid in like- size companies) and which will ensure and support a high performance culture. The Executive Directors will also be entitled to sitting fees as paid to Non-Executive and Independent Directors (unless specifically waived by them or not entitled in terms of their respective agreements).

b. Non-Executive Directors

The Non-Executive Directors and Independent Directors will receive sitting fees / commission as per the provisions of the Act and in compliance with the

provisions of the Listing Regulations. The amount of the sitting fees will not exceed the ceiling / limit under the Act. An Independent Director will not be eligible to any stock option of the Company.

The Board of Directors will from time-to-time fix the sitting fees for attending the meetings of the Board and its Committees on the recommendations of the Committee. Effective from 25th July, 2014 the Board of Directors have fixed the sitting fees payable to Directors for attending the Meetings of the Board and its respective Committees.

The Non-Executive Directors and Independent Directors will be paid commission in aggregate an amount of 1% of the standalone Net Profit of the Company in the financial year as calculated in terms of Section 198 read with Section 197 of the Act. The Commission to Non-Executive Directors and Independent Directors will be paid on a uniform basis to reinforce the principle of collective responsibility. If a Non-Executive Director or Independent Director works as such only for a part of the year, he will be paid commission for the relevant financial year on a proportionate basis for the period during which he held the post of such Director. The commission will be payable only after the Annual Audited Financial Statements are approved by the shareholders at the Annual General Meeting of the Company. The Non-Executive Directors and Independent Directors may forego receiving of commission/sitting fees by making a request to the Board.

II. Remuneration to KMP and Senior Management

- a. The remuneration to KMPs and Senior Management will be benchmarked on the remuneration package prevailing in the country and industry and will have a fixed component and a performance based component.
- b. Remuneration to be paid to senior management in whatever form, whether at the time of appointment or during annual revisions shall be recommended by the Committee to the Board for its approval.

III. Remuneration to other employees

The remuneration including revision in remuneration of other employees shall be decided by the Human Resources Department in consultation with the matrix manager within the overall framework of compensation and appraisal policy of the Company.

10. Board Diversity

- a. The Company acknowledges the importance of diversity within the Board and the Committee is fully committed to ensure that a transparent board nomination process is in place which is based on merit and that encourages diversity of thought,

- experience, background, knowledge, ethnicity, perspective, age and gender.
- b. The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that woman with the right skills and experience can play in contributing to diversity of perspective in the Boardroom;
 - c. The Committee shall ensure that the Company has an appropriate blend of functional and industry expertise;
 - d. The Committee shall monitor and periodically review the Board Diversity and recommend to the Board so as to improve one or more aspects of its diversity and measure progress accordingly;
 - e. The Committee shall monitor and periodically review the Board Diversity and recommend to the Board any changes so as to improve one or more aspects of its diversity and measure progress accordingly.

11. Review and Amendment

This policy may be reviewed and amended by the Nomination and Remuneration Committee as and when required and any amendment thereto shall be presented before the Board for approval.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and the Nomination and Remuneration Committee shall amend this Policy accordingly.
