



General Insurance Corporation of India

POLICY ON BOARD DIVERSITY – 2019 (Ver 2.0)

GENERAL INSURANCE CORPORATION OF INDIA
POLICY ON BOARD DIVERSITY

1. PURPOSE

1.1 As per the requirements under the Regulations 19(4) read with Schedule II, Part D of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments upto SEBI (LODR) (Sixth Amendment) Regulations, 2018 (the “**SEBI Listing Regulations**”) and such other regulatory provisions, as applicable, the nomination and remuneration committee of the Company (the “**NRC**”) is required to devise a policy for having diversity on the board of directors of General Insurance Corporation of India (the “**Corporation**”). The General Insurance Corporation of India diversity policy (the “**Policy**”) sets out a framework to achieve adequate diversity on the Board of the Corporation (“**Board**”).

2. INTRODUCTION

- i. Board diversity is vital to handle various factors such as globalisation of business, rapid deployment of technology, greater social responsibility, ever rising emphasis on corporate governance, enhanced need for risk management, etc. so as to facilitate effective management of the business of Corporation and to keep pace with changing dynamics of the business environment.
- ii. Board diversity is the breadth of prospective, not the mere inclusion of various diverse traits that will benefit the organisation. Corporation believes that a diverse Board will enhance the quality of decision made by the Board by utilising the different skills, qualification, experience, knowledge, etc. of the Board necessary for achieving sustainable and balance development.

3. SCOPE OF APPLICATION

The Policy applies only to the members of the Board and not employees of the Corporation.

4. EFFECTIVE DATE

This Policy shall be effective from the date of approval by the Board, unless specified otherwise.

5. POLICY STATEMENT

- i. The Companies Act, 2013, and the rules made there under (the “**Companies Act**”) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, require the Board and the NRC to formulate the criteria for determining qualifications, positive attributes and independence of directors. Further, vide a Notification issued by the Ministry of Corporate Affairs dated June 5, 2015, the recommendations of the NRC are applicable to the senior management and other employees of the Corporation.

- ii. The Corporation recognizes and embraces the benefits of having a diverse Board and seeks increasing diversity at the Board level as an essential element in maintaining competitive advantage. It is recognised that the Board be composed of appropriate qualified people with a broad range of experience relevant to the business is important to the effective corporate governance and sustained commercial success of Corporation.
- iii. A truly diverse Board will include and make good use of differences in skills and industry experience, background and other distinctions between directors.
- iv. All appointments to the Board are made by the President of India on the basis of merits such as the individual candidate's skills, experience, independence and specialisation in one or more areas and candidate will be considered against the objective criteria, with due regards for the benefits of diversity on Board as well as the candidate's contribution to the operation of Corporation which the Board as a whole requires in order to be effective.
- v. All Board appointments are made by the President of India as per the Articles of Association. Once appointed by the Government, the appointments are taken on record by the Board. The Government normally takes into account, includes and makes good use of diversity in the skills, qualifications, age, profession & industry, experience and expertise, irrespective of race, caste, creed, religion, disability, gender and culture.
- vi. In the process of attaining a diverse Board based on the aforementioned norms, the following should also be assessed.
 - a. The total number of directors shall be in accordance with the Articles of Association, however the minimum number of directors of the Corporation shall be in compliance with the SEBI Listing Regulations
 - b. The Board should have an optimum number of executive and non- executive directors and not less than 50% of the Board should consists of the non-executive directors and shall have at least one independent woman director in compliance with the SEBI Listing Regulations, on the Board subject to the applicable laws.
 - c. When the chairperson of the Board is a non-executive director, at least one third of the Board shall comprise of independent directors and when the Corporation does not have a regular non-executive chairperson, or when the regular non-executive chairperson is a promoter or related to any promoter or person occupying management position at the Board level or at one level below the Board, at least half of the Board shall comprise of independent directors.
 - d. The Corporation, in compliance with the SEBI Listing Regulations, shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

- e. While appointing the independent directors, care should be taken as to independence of the proposed appointee.
- f. Directorships in other Companies may also be taken in account while determining the candidate of a person.
- g. The overall composition of the Board should comply with the provisions of the Articles of Association, the Companies Act the SEBI Listing Regulations and the statutory, regulatory and contractual obligations of Corporation.

6. STAKEHOLDER DIVERSITY

Subject to the provisions of Section 151 of the Companies Act, the Corporation may, upon notice of not less than 1,000 shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders' director elected by the small shareholders.

7. MEASURABLE OBJECTIVES

NRC will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

8. MONITORING AND REPORTING

The Policy, as described herein and as applicable, shall also be disclosed in Corporation's annual report. The Policy shall also be disclosed on the website of Corporation for public information.

9. REVIEW OF THE POLICY

- i. NRC will review the Policy annually, which will include an assessment of the effectiveness of this Policy. In reviewing Board composition, the NRC will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.
- ii. The NRC will also assess Board composition on behalf of the Corporation and recommend to the Central Government, the appointment of new directors based on their qualification, positive attributes and independence.