



POLICY ON DIVERSITY OF BOARD OF DIRECTORS (VERSION 2.0)

GAIL (INDIA) LIMITED

POLICY ON DIVERSITY OF BOARD OF DIRECTORS

1. PREAMBLE

The Company has adopted the Policy on Diversity of Board of Directors (“Policy”) for the Board of Directors (“the Board”) of GAIL (India) Limited. This policy has been formulated by the Nomination and Remuneration Committee (“NRC”) to have ideal combination of Executive and Non-Executive Directors, including Independent Directors & Woman Director(s) in the Board in accordance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”), DPE Guidelines on Corporate Governance and Articles of Association of the Company.

2. LAW AND APPLICABILITY

As per Regulation 19 (4) read with Part D of the Schedule II of the SEBI (LODR) Regulations, 2015, the NRC of the Company has to devise Policy on Board Diversity. The Policy applies to the composition of the Board only and does not apply to diversity in relation to the employees of the Company.

3. POLICY

3.1 GAIL (India) Limited (the Company) is a Government Company as per provision of Section 2(45) of the Companies Act, 2013. The Articles of Association of the Company stipulates that the number of Directors shall not be less than 6 (six) and not more than 20 (twenty). As per Article 86 (c), (d) & (j) of the Articles of Association of the Company, so long as the President of India holds 51% or more of the paid-up Equity Share Capital of the Company:

- the Chairman/ Chairman and Managing Director/ Managing Director of the Company shall be appointed by the President of India on such terms & conditions, remuneration and tenure as the President of India may determine from time to time otherwise subject to the provisions of the Companies Act & other applicable laws for the time being in force.
- the President of India shall, subject to the provisions of Section 152 of the Act, appoint in consultation with the Chairman / CMD of the Company, such number of functional Directors on whole time basis as deemed fit on such terms & conditions, remuneration and tenure, as the President of India may determine from time to time.
- the President of India shall have the right to fill any vacancy in the office of the Directors including Chairman and Managing Director, appointed by him, caused by removal, resignation, death or otherwise.

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3.2 Section 149(1) of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 provides that Board of Directors shall have an optimum combination of executive and non-executive directors with at least one-woman Director and not less than 50% of the Board of Directors shall comprise of non-executive directors. Provided that the board of directors of top 1000 listed entities based on market cap shall have at-least one-woman independent Director. Where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.

GAIL being one of the top 1000 listed entity based on market cap., it shall have at-least one-woman independent Director. Also, in GAIL, Chairperson is an executive director, hence, it shall have at least half of the board of directors comprising of independent directors.

3.3 GAIL is a Government Company and is also governed by DPE Guidelines on Corporate Governance with respect to composition of the Board. Accordingly, it shall have upto two Government nominee directors on its board representing administrative Ministry of the Government of India (GoI).

3.4 GAIL recognises and embraces the importance of diverse Board for maintaining competitive advantage. A true diverse Board shall enhance the quality of decisions by utilising different skills, qualifications, cultural and regional experience, geographical and industry experience, ethnicity, gender, knowledge and length of service & other distinguishing qualities of members of the Board.

4. REVIEW OF THE POLICY

Nomination and Remuneration Committee shall review the policy on a regular basis to ensure its effectiveness and also compliance with the Companies Act, 2013, SEBI (LODR) Regulations, 2015, DPE Guidelines on Corporate Governance and Articles of Association of the Company.

5. DISCLOSURE OF THE POLICY

The Company shall disclose this Policy on its website i.e. www.gailonline.com.