

BOARD DIVERSITY POLICY

PURPOSE

As per the requirement under the Regulation 19(4) read with Schedule II, Part D of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other regulatory provisions, as applicable the Nomination and Remuneration Committee (the 'NRC') is required to devise a policy for having diversity on the board of directors (the 'Board'). The board diversity policy (the 'Policy') sets out the approach to achieve adequate diversity on the Board of the Mahanagar Gas Limited (MGL).

INTRODUCTION

Board diversity is vital to handle various factors such as globalization 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 the Company and to keep pace with changing dynamics of the business environment.

Board Diversity is the breadth of prospective, not the mere inclusion of various diverse traits that will benefit the organization. The Company believes that a diverse Board will enhance the quality of decision made by the Board by utilizing the different skills, qualifications, experience, knowledge, etc. of the Board members necessary for achieving sustainable and balance development.

SCOPE OF APPLICATION:

The Policy applies to the Board.

POLICY STATEMENT:

As a Company with operations presently spanning across Mumbai and its adjoining areas, it recognizes and embraces the benefits of having diverse Board and seeks increasing diversity at the Board Level as an essential element in maintaining competitive advantage. It is recognised that the Board composed of appropriately qualified people with a broad range of experience relevant to the business is important to the effective corporate governance and sustained commercial success of the Company.

A truly diverse Board will include and make good use of differences in skills and industry experience, background and other distinctions between Directors.

All Board appointments will be made on merit keeping in mind aspects such as the individual candidate's skills, experience, independence and specialization in one or more areas and candidates 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 the Company which the Board as a whole requires in order to be effective.

All Board appointments shall first be reviewed by NRC and thereafter be recommended to the Board. NRC shall endeavor to include and make good use of diversity in the skills, qualifications, age, profession & industry, experience and expertise, irrespective of race, caste, creed, religion, disability, gender and culture. The NRC shall also oversee the annual review of the Board effectiveness. All appointments should be made with a view to enhance the overall performance of the Board of the Directors of the Company.

NRC shall seek to address Board vacancies by actively considering candidates that bring diversity of background and opinion from amongst eligible candidates with related expertise and experience.

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 of the Company.
- b. The Board should have an optimum number of executive and non-executive directors and not less than 50% of the Board should consist of the independent directors and shall have at least one woman director on the Board subject to the applicable laws.
- c. While appointing the independent directors, care should be taken as to independence of the proposed appointee.
- d. Directorships in other Companies may also be taken in account while determining the candidature of a person.
- e. The overall composition of the Board of Directors should comply with the provisions of the Articles of Association of the company, the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the statutory, regulatory and contractual obligations of the Company.

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.

MONITORING AND REPORTING

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

REVIEW OF THE POLICY

NRC will review the Policy as and when the need arises to ensure the effectiveness of the Policy. NRC will discuss any revisions that may be required and recommend any such revisions to the Board for their further action.

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