

## **ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED**

### **Policy on Board diversity**

The regulatory framework by which the Company is governed i.e. Insurance Act, 1938, Companies Act, 2013 and relevant rules and Corporate Governance Guidelines for insurance companies recognise the significance of Board diversity and have stipulated the composition of the Board based on these principles.

#### **1.1.1 Requirements of Corporate Governance Guidelines for insurance companies**

1. The Board of Directors is required to have a significant number of “independent Directors”. The optimum contribution of independent and non-executive directors enhances the quality of business judgment and benefits the shareholders and policyholders. This is especially important in respect of insurance companies under conglomerate structure and where there is potential scope for transfer of risks and conflicts of interests that affect the group entities.
2. The Board of Directors should be from various areas of financial and management expertise such as accountancy, banking, insurance, finance, economics, etc., with qualification and experience that is appropriate to the company.
3. The Board of Directors should possess the knowledge of group structure, organisational structure, process and products of the insurer and the Board generally complies with the following requirement:
  - (a) The Board of Directors and Senior Management understand the operational structure of the insurer and have a general understanding of the lines of business and products of the insurer, more particularly as the insurer grows in size and complexity.
  - (b) The Board of Directors of an insurer belonging to a larger group structure/conglomerate should understand the material risks and issues that could affect the group entities, with attendant implication on the insurer.
4. The roles and responsibilities of the Board of Directors and their discharge have been defined in the Corporate Governance Guidelines for insurance companies.
5. In line with the domestic norms, the Directors of insurance companies have to meet the “fit and proper” criteria. The fit and proper requirements seek to ensure that the Director

should not have been convicted or come under adverse notice of the laws and regulations involving moral turpitude or of any other professional body.

The Board Nomination and Remuneration Committee would scrutinise the declarations of the intending applicants before the appointment/re-appointment/election of directors by the shareholders at the General Meeting. Further, the insurance companies also obtain an annual declaration from the Directors that the information provided in the declaration at the time of appointment/re-appointment has not undergone any change subsequently and the changes. If any, are appraised by the concerned Director to the Board.

### **1.1.2 Companies Act, 2013**

The Companies Act, 2013, recognising the significance of gender diversity on the Board, has mandated listed companies and certain other classes of companies to have a woman director on Board.

*The Board Remuneration & Nomination Committee (Committee) while deciding on the composition of the Board will consider the areas of expertise for a director as stipulated in the Corporate Governance Guidelines for insurance companies. The Committee and the Board while evaluating candidates would consider appropriate representation from such fields as may be relevant to the Company. The significance of gender diversity and the requirement of having a woman director will also be considered and the focus would be on achieving an optimum composition based on merit and without any discrimination, subject to compliance with the above provisions of the Companies Act, 2013.*