

“श्री जी”



National General Industries Ltd.

An ISO 9001 : 2015 Certified Company

CIN No. : L74899DL1987PLC026617

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Introduction:

- 1.1 National General Industries Limited (the Company) ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board.
- 1.3 Company aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion:

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 “Nomination and Remuneration Committee” means the committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 178 of the Companies Act, 2013 (‘the Act’) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time.
- 3.2 “Independent Director” means a director referred to in sub-section (6) of Section 149 of the Act, and Regulation 16 (1) (b) of Listing Regulations.

4. Policy:

4.1 Qualifications and criteria

- 4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, expertise, competences, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

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- 4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as: • General understanding of the Company's business dynamics, global business and social perspective; • Educational and professional background; • Skills, expertise and competences • Standing in the profession; • Personal and professional ethics, integrity and values; • Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- Such other requirements as may be prescribed, from time to time, under the Act, Listing Regulations and other relevant laws.

4.2 Criteria of Independence

- 4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually.
- 4.2.2 The criteria of independence, shall be, as laid down in Act, Listing Regulations and other relevant laws, if any, as amended from time to time.
- 4.2.3 The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Act.

4.3 Other directorships / committee memberships

- 4.3.1 A Director shall not serve as Director / Independent Director in such number of companies as may be prescribed under Act, Listing Regulations and other relevant laws, if any.
- 4.3.2 A Director shall not be a member or act as Chairman of such number of companies as may be prescribed under the Act, Listing Regulations and other relevant laws, if any.
