



NATIONAL FERTILIZERS LIMITED

CIN.L74899DL1974GOI007417

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Policy on Board Diversity

1. PREAMBLE

National Fertilizers Limited is committed to the highest standards of corporate governance, transparency and accountability. This Policy is framed pursuant to the requirement of Part D of Schedule II of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and the Companies Act, 2013.

2. DEFINITIONS

Term	Definition
“Act”	means the Companies Act, 2013 and rules framed thereunder as amended from time to time.
“Regulation”	means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
“Company ”	means “National Fertilizers Limited”
“Board ”	means Board of Directors of the Company.
“Director”	means a director appointed to the Board of the Company.
“Committee”	means Nomination and Remuneration Committee (NRC) of the Company constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act, 2013 and Regulation.
“Independent Director”	means a Director referred to in Section 149(6) of the Companies Act, 2013 and Rules made thereunder.

Term	Definition
“ Policy” or “ This policy ”	means Policy on Board Diversity
“Diversity”	Includes differences that relate to gender, age, ethnicity, disability, sexual orientation and cultural background. In addition, Diversity also includes differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem solving skills.

3. **Objective**

This policy sets out the approach to diversity on the Board of Directors of National Fertilizers Limited (NFL).

4. **Vision**

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance.

5. **Scope:**

- The Diversity in the Board is increasingly recognized by the government, stock exchanges, companies, shareholders and other stakeholders as an essential component of good corporate governance that ultimately leads to better business success and sustainability.
- The Policy sets out the approach to have diversity on the Boards of the Company in terms of thought, experience, knowledge, perspective and gender in the Board.
- This policy applies to the Board of Directors and it does not apply to employees.

6. **Effective Date**

“Policy on Board Diversity” on the recommendation of Nomination and Remuneration Committee, approved by the Board of Directors at its meeting held on 01.08 2016.

7. **Policy Statement:**

Company recognizes and embraces the importance of a diverse Board in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that Company retains its competitive advantage. NFL believes that a diverse

Board will contribute to the achievement of its strategic and commercial objectives including:

- a. Drive business results;
- b. Make corporate governance more effective;
- c. Enhance quality and responsible decision making capability;
- d. Ensure sustainable development;
- e. Enhance the reputation of NFL.

The Board shall have an optimum combination of executive, non-executive, independent directors and woman Director in accordance with the requirements of Articles of Association of the Company, Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the statutory, regulatory and contractual obligations of NFL.

NFL is a Government Company where the Directors are appointed by the Government of India. The remuneration and tenure of Directors are decided by the Government. Being a Government Company, it is exempted from the application of provisions of section 178(2),(3) and (4) of Companies Act, 2013 w.r.t. Directors.

The Board of Directors have constituted the Nomination and Remuneration Committee (NRC). NRC will ensure that no person appointed a Director is discriminated against on grounds of religion, race, gender, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute which does not speak to such person's ability to perform as a Board Member. Accordingly, the Nomination and Remuneration Committee shall periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

The effective implementation of this Policy requires that shareholders are able to judge for themselves whether the Board as constituted is adequately diverse. To this end NFL shall continue to provide sufficient information to shareholders about the qualifications and experience of each Board Member.

8. Gender

The Company shall not discriminate on the basis of gender in the matter of appointment of director on the Board. As per the provisions of the Companies Act, 2013, the Company shall at all times have at least one woman director on the Board. Any vacancy of the woman director shall be filled within a period of six months. However, compliance of this clause will be subject to appointment of such director by Government of India.

9. Ethnicity

The Company shall promote having a boardroom comprising of people from all ethnic backgrounds so that the directors may efficiently contribute through their knowledge, sources and understanding for the benefit of Company's business.

10. Age & Educational qualifications

Subject to the applicable provisions of Companies Act, 2013 and DPE guidelines, Appointment of C&MD, Functional & Independent Directors shall be subject to fulfilling age, qualification and other criteria's prescribed by Public Enterprise Selection Board and Search Committee, if any constituted by the Government of India from time to time subject to DPE guidelines prescribed in this regard.

11. Physical disability

The Company shall not discriminate on the basis of any physical disability of a candidate for appointment on Company's Board, if he/she is able to efficiently discharge the assigned duties.

12. Monitoring and Reporting

The Nomination and Remuneration Committee is responsible for formally assessing the appropriate mix of Diversity, skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board reporting to the Board in relation to Board Diversity.

13. Disclosure

A disclosure with regard to this policy will be made in the Annual Board Report, as required under Companies Act, 2013, Rules made thereunder and LODR, as amended from time to time and as may be required under any other law for the time being in force.

14. Review

The Committee as and when required shall assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current law and best practice.

15. Website

The Policy will be uploaded on the Company's website for public information.

16. Interpretation

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Articles of Association of the Company and /or the Companies Act, 2013, Rules made thereunder and DPE Guidelines . In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Committee and the decision of the Committee in such a case shall be final.
