

NSE Clearing Limited
Policy on Board Diversity

Name of Policy	Policy on Board Diversity
Description of Policy	Policy on diversity of the Governing Board of the Company The Policy states that the Company aims to achieve a balance of merit, experience and skills amongst its Directors
Policy applies to	Board of Directors of NSE Clearing Limited
Policy status	Separate Policy adopted for first time

Approval authority	Board of Directors
Policy Owner	Company Secretary

Last Approval date	Adopted for first time
Frequency of review and approval	Annually

Revision History:

Version	Revision Date	Nature and Reasons of Change	Approved by
1	April 25, 2025	The policy has been formulated as per the Companies Act, 2013, SEBI (LODR) Regulations, 2015, SCR(SECC) Regulations, 2018	Board of Directors

NSE Clearing Limited

Board Diversity Policy

1. Introduction

NSE Clearing Limited (hereinafter referred to as “NCL” or “the Company”) is governed by the Companies Act, 2013 and rules notified thereunder (the ‘Act’); the Securities Contracts (Regulation) Act, 1956 read with rules notified thereunder and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as “SCR (SECC) Regulations, 2018”) including disclosure requirements and corporate governance norms as specified for listed companies to the extent applicable to stock exchanges/clearing corporations.

The Company is committed to fostering an inclusive and diverse Board of Directors (the “Board”). Recognizing that diversity of thought, perspective, experience, education, ethnicity, personal attributes and background strengthens oversight and strategic decision-making, this policy affirms the Company’s dedication to embedding diversity in its leadership and that of the perspective in the Boardroom.

Pursuant to Regulation 19(4) read with Part D (3) of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, from time to time, the Nomination and Remuneration Committee (NRC) of the Company has to devise a policy on diversity of Board of Directors.

The Board shall have an optimum combination of executive, non-executive and Public Interest Directors in accordance with requirements of the Articles of Association of NCL, the Act, SCR (SECC) Regulations, 2018, SEBI Listing Regulations and other statutory and regulatory obligations of NSE Clearing Limited.

2. Purpose

The purpose of this policy is to:

- Assure that the Board is fully diversified with diverse backgrounds
- Enhance the Board’s performance and decision-making through a wide range of perspectives.
- Promote accountability and transparency in board appointments.
- provide a framework for leveraging on the diverse knowledge and expertise of the Board which can offer its valuable guidance to the Management consistent with the Company’s business perspective under Companies Act, SEBI Listing Regulation and SCR (SECC) Regulations.

3. Definitions

- (i) **“Board of Directors”** or **“Board”** shall mean the collective body of directors of NCL;
- (ii) **“Director”** means a director appointed to the Board of NCL;
- (iii) **“Nomination and Remuneration Committee”** or **“the Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI Listing Regulations and Regulation 27 of the SCR (SECC) Regulations.
- (iv) **“Policy”** means this “Policy on Board Diversity.”
- (v) **“Public Interest Director”** means an independent director representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the Board, is in conflict with his role.
- (vi) **“Independent Director”** shall have the meaning as defined under section 2(47) of the Companies Act, 2013 read with relevant rules and Regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time.

Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant Rules, SEBI Listing Regulations and SCR (SECC) Regulations or other relevant provisions as may be applicable.

4. Policy Statement

This Policy sets out the approach the Company should adopt whilst ensuring Board diversity and to enhance its effectiveness as a Market Infrastructure Institution.

In order to ensure a balanced composition of executive, non-executive and independent directors / Public Interest Directors on the board, the Company shall consider the factors including but not limited to gender, age, ethnicity, nationality, professional background, and experience, including expertise in the areas of capital markets, finance and accountancy, legal and regulatory practice, technology, risk management and management or administration.

5. Board Nomination and Selection

The Board shall have an optimum combination of executive, non-executive and Public Interest Directors in accordance with requirements of the Articles of Association of

NSE Clearing Limited, the Companies Act, 2013, SCR (SECC) Regulations, 2018, SEBI Listing Regulations, and other statutory and regulatory obligations of NSE Clearing Limited.

The Board of the Company shall comprise Directors having the requisite qualifications and experience in the areas of capital markets, finance and accountancy, legal and regulatory practice, technology, risk management and management or administration.

Further, the Board of the Company shall consist of at least one public interest director having the requisite qualification and experience in each of the areas of capital markets, finance and accountancy, legal and regulatory practice, and technology.

The Company may also appoint directors having qualification and experience in other areas which may be specific to them. Further, the Company shall ensure that the governing board collectively consists of directors with qualifications and experience as mentioned above.

NCL values and actively promotes of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage, technological development, greater innovation, positive impact, enhancing quality and responsible decision-making capability and better overall performance.

The NRC will lead the process for Board appointments and shall:

- assess the appropriate mix of age, diversity, skills, backgrounds, level of independence, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board,
- make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board, and
- Ensure at all times that the governing board comprises of directors with required skill set and expertise in the areas as provided in SECC Regulations.

The Company shall adopt best practices to ensure fairness and equality and transparency whilst appointing Directors and ensuring zero tolerance for discrimination based on caste, creed, gender, ethnicity, religion, disability, colour or otherwise. Further, all Board appointments will be based on meritocracy in the context of the skills as mentioned above, diverse experience, independence and knowledge which the Board as a whole requires to be effective.

The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

6. Amendment

Any amendment or modification in the Companies Act, 2013, SEBI Listing Regulations, SCR (SECC) Regulations, Rules, Regulations and directives issued under the respective statutes (which include Listing Regulations) and any other applicable Regulation relating to the Board diversity shall automatically be applicable to the Company.

7. Review and Amendments

This Policy shall be reviewed once a year to ensure that it meets the regulatory requirements or latest industry practice or both and the changes shall be placed in the NRC and the Board.

8. Disclosure of the Policy

The Company shall disclose the Policy on Board Diversity on its website i.e., www.nseclearing.in.
