

**ANNEXURE E- POLICY FOR APPOINTMENT/REAPPOINTMENT OF WHOLE TIME
DIRECTORS**

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1.	June 08, 2019	2.0	-	• Pursuant to SEBI's Directions	CHRO	Governing Board
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3.	November 04, 2022	4.0	-	• Pursuant to SEBI's Directions	CHRO	Governing Board
4.	February 07, 2024	5.0	-	• Changes pursuant to Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2023	CHRO	Governing Board
5.	September 18, 2025	6.0	-	No changes	CHRO	Governing Board
6.	January 16, 2026	7.0	-	Addition in clause of appointment / reappointment of ED(Vertical-1) & ED(Vertical-2) pursuant to SEBI Circular dated December 12, 2025.	CHRO	Governing Board

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7.	March 05, 2026	8.0	Multiple clauses	Amendments in line with the SEBI Circulars	CHRO	Governing Board

1. INTRODUCTION

In accordance with the SEBI letters MRD/DSA/OW/2018/12652/1 dated April 26, 2018, MRD/DoP/DSA2/OW/30603/1/2018 dated November 02, 2018, MRD/DoP2DSA2/OW/P/2019/13502/1 dated May 29, 2019, SEBI email dated November 13, 2020, SEBI/HO/MRD2_DDAP/P/OW/2021/00000022924/1 dated September 07, 2021, HO/47/12/11(5)2025-MRD-POD3/I/196/2025 December 12, 2025, SEBI (Depositories and Participants) Regulations, 2018 and amendments therein from time to time, National Securities Depository Limited (NSDL) has formulated this Policy for appointment/reappointment of Whole Time Director (WTD). Whole Time Director includes Managing Director & CEO and Executive Directors (ED) of NSDL.

1.1 DEFINITIONS

- a. **“Companies Act”** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. **“Depositories Act”** means the Depositories Act, 1996 and Regulations framed thereunder, as amended from time to time.
- c. **“Board”** means Board of Directors of NSDL.
- d. **“Director”** means a Director appointed on the Board of NSDL.
- e. **“Committee”** means the Nomination and Remuneration Committee (NRC) constituted by the Board.
- f. **“SEBI”** means the Securities and Exchange Board of India
- g. **“Whole Time Directors (WTD)”** means the Managing Director & CEO and Executive Directors (ED)
- h. Words and expressions used and not defined in this Policy but defined in the SEBI (Depositories and Participants) Regulations, 2018 (SEBI D&P Regulations), the Depositories Act, 1996, the Companies Act, 2013 or any rules or regulations made thereunder shall have the same meanings respectively assigned to them in those Acts, rules or regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.

2. APPLICABILITY

This policy shall be applicable for appointment and reappointment of WTDs of NSDL. In respect of a person holding position as WTD as on October 03, 2018 i.e. the date of notification of the SEBI D&P Regulations, the applicability of this policy with respect to appointment and reappointment shall be determined in accordance with Regulation 26(7) of SEBI D&P Regulations read with SEBI letter MRD/DoP/DSA2/OW/30603/1/2018 dated November 02, 2018.

3. CRITERIA FOR APPOINTMENT

- (i) The appointment and renewal of appointment of the WTD of the Company shall be subject to prior approval of SEBI.
- (ii) The WTD shall be included in the category of Non-Independent Directors.
- (iii) The Company shall not appoint or continue the employment of any person as WTD who:-
 - a) is below the age of twenty-one years
 - b) is an undischarged insolvent or has at any time been adjudged as an insolvent;
 - c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or
 - d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.
 - e) is not an Indian passport holder
- (iv) The WTD of the Company shall not:
 - a) be a shareholder or an associate of a shareholder of a depository or a shareholder of an associate of a depository;

- b) be a depository participant, or his associate and agent, or shareholder of a depository participant or a shareholder of an associate and agent of a depository participant; or
- c) hold any position concurrently in the subsidiary of a depository or in any other entity associated with a depository.

A Whole-time Director may be appointed as a Non-Executive Director on the Board of a subsidiary or associate of the Company, with the approval of the Governing Board.

- (v) The WTD shall be a 'fit and proper person' under the SEBI D&P Regulations.

4. QUALIFICATIONS AND EXPERIENCE

Candidates for appointment as WTD shall be professionally qualified with at least 20 years of experience in the field of capital market, finance/Information Technology and management. NRC/ Board may also consider candidates with other educational qualifications if they have relevant experience and track record. Understanding of technology and ability to leverage the same for advancement of Indian capital markets while managing the risks of technology will be an advantage. Candidates should have demonstrated leadership skills and track record and should preferably have worked at board level. Candidate should be able to lead a market infrastructure institution and ensure efficient and secure operation of the capital markets.

5. PROCEDURE FOR APPOINTMENT

- (i) NRC shall be responsible for selection of WTD. However, Independent External Persons(IEP) may be part of the NRC for the limited purpose of recommendation relating to the selection of WTD, subject to the approval of SEBI. If IEP is considered as a part of NRC, at least two names per Independent external person along with their profile (without any order of preference) shall be forwarded to SEBI for approval.
- (ii) The WTD shall be selected through open advertisement in all the editions of at least one national daily. A head-hunter / an external agency may be appointed, if considered necessary, with the approval of NRC.

- (iii) NRC may shortlist the candidates based on credentials and conduct interviews and recommend candidates to the Board.
- (iv) Based on the recommendation of NRC, the Board shall select a minimum of two candidates for appointment as a WTD, subject to approval of SEBI.
- (v) A reference check be done by a Human Resource (HR) agency, for the shortlisted candidates before proposing names to SEBI for getting appointed as a WTD. Further, the said reference check should be done covering three key areas, viz. Integrity, Knowledge/ Professional Skills and Interpersonal Skills. After getting the reference check done, the NRC and the Board of the MII shall examine such report and review that the recommended candidates are found to be satisfactory on the knowledge and professional skillset; past conduct including integrity; and interpersonal skills.
- (vi) Upon completion of the process, at least two names for each position shall be forwarded to SEBI for approval, without any order of preference and confirming that the candidates satisfy the requirements for the concerned position. The names shall be forwarded to SEBI two months prior to the last working date of the existing WTD.
- (vii) The WTD shall be appointed after approval of SEBI.
- (viii) Post approval of SEBI, the Shareholders of the Company shall subsequently ratify the appointment of WTD, at the subsequent AGM.
- (ix) NRC shall ensure that candidate for the post of WTD, has obtained necessary clearance / no objection certificate from the requisite authorities (employers/supervisory bodies, etc.), wherever required, before joining.
- (x) In case a vacancy of WTD arises due to unforeseen reasons, the Company shall forward the new names to SEBI within 60 days from the date of submission of resignation or such vacation of office.
- (xi) Post completion of the first term as WTD, the depository shall conduct the appointment process afresh. The serving WTD may apply, if eligible, subject to clause 5(xii) below.

- (xii) A person may be appointed as WTD for a maximum period of ten years subject to a maximum age limit of sixty-five years.
- (xiii) A WTD shall not be liable to retire by rotation.

6. REMUNERATION

- (i) The remuneration to be paid to the WTD shall be recommended by NRC & the Board and approved by the SEBI and the terms and conditions of remuneration of the WTD shall not be changed without the prior approval of SEBI.
- (ii) Subject to SEBI approval, the remuneration / compensation / commission etc. to the WTD shall be in accordance with Section 197 and Schedule V of the Companies Act, 2013 read with the rules made thereunder.
- (iii) The remuneration of WTD shall be in compliance with the following conditions:
 - a) The variable pay component shall be within a range of 25% to 50% of total pay.
 - b) Fifty percent of the variable pay shall be paid on a deferred basis after a minimum period of three years.
 - c) ESOPs and other equity linked instruments in the depository shall not be offered or provided as part of the compensation.
 - d) The compensation framework shall have malus and clawback arrangements.

WTD will also be covered in the same compensation framework as mentioned for KMPs. Kindly refer to Annexure D of the Nomination and Remuneration Policy.

7. REVIEW

This Policy may be reviewed by the Board, along with the Nomination and Remuneration policy and as and when required.