

# **NOMINATION AND REMUNERATION POLICY**

## **1. INTRODUCTION**

In compliance with the requirements set out in the Companies Act, 2013 (the 'Act'), the Nomination and Remuneration Committee of NSDL Database Management Limited ('NDML') has formulated this Nomination and Remuneration Policy ('Policy') in order to set out criteria for remuneration of Directors, Key Managerial Personnel and other employees of NDML.

## **2. DEFINITIONS**

2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2 **Board** means the Governing Board of Directors of NDML.

2.3 **Director** means a Director (excluding Managing Director) appointed on the Board of NDML.

2.4 **Key Managerial Personnel** means, as defined under the Companies Act:

- (i) the Chief Executive Officer or the Managing Director or Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) any other person as may be prescribed under applicable laws, from time to time.

2.5 **The Committee** means the Nomination and Remuneration Committee constituted by the Board.

### **3. CRITERIA FOR REMUNERATION OF DIRECTORS**

All the Directors (excluding Managing Director & CEO) are paid sitting fees in compliance with the prescribed limit, as mentioned under Companies Act, 2013.

### **4. CRITERIA FOR REMUNERATION OF KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees of the quality required to run the company successfully. Remuneration involves a mix of fixed and variable pay based on performance rating. The remuneration of Key Managerial Personnel and other employees of the organisation is in line with the internal policies and procedures established by the Company.

### **5. BOARD DIVERSITY**

The Board shall consist of such number of Directors as prescribed under Companies Act, 2013.

The Committee will lead the process for recommendation of Directors to Board,. Recommendation of Directors to Board will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that bring a diversity of

background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience. The candidates may be considered against criteria with an endeavour to have due regard to the benefits of diversity on the Board.

## **6. REVIEW AND AMENDMENT**

- I. The NRC or the Board may review the Policy as and when it deems necessary.
- II. This Policy may be amended or substituted by the NRC or by the Board as and when required.