

National Commodity Clearing Limited

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Board Diversity Policy

Document Management Information

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2	--	Need to know basis	R

Document Review History

Ver. No.	Issue Date	Reviewed/Updated By	Description of Changes
1.0	August 27, 2018	Company Secretary	New Document
2.0	May 6, 2022	Company Secretary	Changes as per regulatory requirements
3.0	August 8, 2023	Company Secretary	Changes as per regulatory requirements
4.0	February 7, 2025	Company Secretary	Addition of frequency of review of policy and version control

Document Change History

#	Description of Change	Effective Date	Version No.	Review ed By	Approved By
1.	New Document	August 27, 2018	1.0	Company Secretary	Board
2	Changes as per regulatory requirements	May 6, 2022	2.0	Company Secretary	Board
3.	Changes as per regulatory requirements	August 8, 2023	3.0	Company Secretary	Board
4.	Addition of frequency of review of policy and version control	February 7, 2025	4.0	Company Secretary	Board

Note:

1. **POL – Policy**
2. **PRO – Standard Operating Procedure / Procedure**

NATIONAL COMMODITY CLEARING LIMITED

BOARD DIVERSITY POLICY

PURPOSE AND SCOPE

National Commodity Clearing Limited, being a Clearing Corporation, and regulated by Securities and Exchange Board of India ('SEBI'), is required to, inter alia, comply with provisions relating to the constitution of the Company's Board of Directors as specified in Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

In pursuance of Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), National Commodity Clearing Limited (hereinafter referred as 'the Clearing Corporation') is required to formulate and adopt a Policy on Board Diversity. This Policy shall be applicable to the Board of Directors of Clearing Corporation.

POLICY STATEMENT

This Policy sets out the approach the Clearing Corporation should adopt whilst ensuring Board diversity and to enhance its effectiveness whilst discharging its fiduciary obligations toward the shareholders of the Clearing Corporation. A truly diverse Board should be able to make good use of diversity in skills, regional and industry experience, educational background and other traits of each Director. These diversities should be considered whilst determining the composition of the Board and balanced appropriately.

An active, well-informed, and diverse Board is necessary to ensure highest standards of Corporate Governance, and that diversity of the Board would bring in variety of thought processes thereby enhancing quality of deliberations, guidance and decisions.

In order to ensure that the Board is endowed with appropriate balance of skills, experience and diversity of perspectives, the Clearing Corporation shall conform to the following principles relating to Board Diversity:

- Decisions pertaining to appointment/ re-appointment of Directors shall be based on their age, skills, experience, backgrounds, level of independence, contributions during deliberations at meetings of the Board and adherence to corporate governance norms as reflected in the outcome of their performance evaluation;

- The Board of the Clearing Corporation 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.
- The Board of the Clearing Corporation shall comprise 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 Clearing Corporation may also appoint Directors having qualification and experience in other areas which may be specific to it.
- The Clearing Corporation shall ensure that the Board collectively comprises Directors with qualifications and experience as specified above.
- Ensuring zero tolerance for unlawful discrimination based on caste, creed, gender, ethnicity, religion, disability, colour or otherwise.
- Complying with regulatory guidelines on Board Diversity.

ROLE OF NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is responsible for identifying qualified persons to occupy Board positions as well as for reviewing and assessing the composition and performance of the Board. The Committee shall assess an appropriate mix of diversity, skills, experience and expertise required on the Board and make recommendations to the Board in relation to appointments of Directors.

AMENDMENTS AND REVIEW:

This Policy will be reviewed by the Nomination and Remuneration Committee as and when deemed appropriate to ensure its effectiveness. However, Nomination and Remuneration Committee shall review the Policy at least once in every three years and recommend the changes, if any, to this Policy for the approval of the Board. Any amendments to the Policy shall be subject to approval by the Board.
