

National Stock Exchange of India Limited

Board Evaluation Policy

1. Introduction

National Stock Exchange of India Limited (hereinafter referred to as 'NSEIL' or 'the Company') is governed by the Companies Act, 2013 ('the Act') and Rules notified thereunder, the Securities Contracts (Regulation) Act, 1956 and Rules notified thereunder and the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations') including disclosure requirements and corporate governance norms as specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') for listed companies to the extent applicable to stock exchanges.

This Policy has been framed with an objective to ensure individual Directors of the Company and the Board as a whole and its Committees [including independent external persons ('IEP') on the Statutory and Non-Statutory Committees], work efficiently and effectively in achieving their functions for the benefit of the Company and its stakeholders. Accordingly, this Policy provides guidance on the evaluation of the performance to be done either by the Board or by the Nomination and Remuneration Committee ('NRC') or by an independent external agency appointed by the Board of Directors ('Board') of NSEIL.

This Policy has been framed as per the applicable provisions of the Act, LODR Regulations, SECC Regulations, the guidance note on Board evaluation issued by SEBI on January 5, 2017, SEBI circular No. SEBI/HO/MRD/DOP2DSA2/ CIR/P/2019/26 dated February 5, 2019 ('SEBI Circular 2019') and SEBI circular No SEBI/HO/MRD/POD-III/CIR/P/2025/12 dated January 30, 2025 (SEBI Circular 2025).

2. Definitions

- i. 'Statutory Committees' or 'Committees of the Board' shall mean Committees constituted by the Board of NSEIL, under provisions of the Act, LODR Regulations and SECC Regulations, from time to time.
- ii. 'Non-Statutory Committees' includes any other Committee / Sub-Committee other than Committees mentioned in (i) above constituted by the Board or Committee of NSEIL.
- iii. 'Director' means a Director appointed on the Board of NSEIL.
- iv. 'Public Interest Director' shall have the same meaning as defined under the

provisions of SECC Regulations.

- v. 'Nomination and Remuneration Committee' or 'NRC' shall mean a Committee of Board of NSEIL, constituted in accordance with the provisions of Section 178 of the Act and Regulation 27 of SECC Regulations.
- vi. 'Policy' means this Board Evaluation Policy.

Words and expressions used but not defined herein, shall have the same meaning respectively assigned to them in the Act read with relevant rules, LODR Regulations and SECC Regulations or other regulatory guidelines as amended from time to time.

3. Interpretation

In any circumstance where the terms of this Policy differ from any applicable existing or enacted law, rules, regulation etc. governing NSEIL, the applicable law, rules or regulation will prevail over the provisions of this Policy from time to time.

4. Objective

NSEIL aims to achieve a balance of merit, experience and skill amongst its Directors. The objectives of this policy are to define the criteria, principles and broad framework for performance evaluation of Directors, the Board as a whole and its Statutory as well as Non-Statutory Committees.

The policy provides the guidance on internal evaluation of the performance, on an annual basis, of: (i) Individual Directors (including IEPs) (ii) the Board as a whole; and (iii) various Committees of the Board.

Further this policy provides framework for external evaluation of individual Directors (including IEPs) and Statutory Committees as prescribed by SEBI.

5. Legal and Regulatory provisions for performance evaluation of Directors, the Board and its Committees

I. Internal Evaluation:

The Board shall internally evaluate on annual basis its performance, performance of its Committees, performance of individual directors, and IEPs based on the parameters as may be determined by the Chairperson of the Nomination and Remuneration Committee or the Chairperson of the Governing Board of the Company.

The aforesaid evaluation shall include evaluation pursuant to the

provisions of Act, Regulation 33(5) of SECC Regulations, SEBI Circular 2019 and SEBI Circular 2025.

II. External Evaluation:

A. At the time of re-appointing Director (including IEPs) for next term

NSEIL shall appoint an independent external agency who is not related to or associated with NSEIL, the concerned Director (including IEPs) to conduct external evaluation during the last year of the term of such Director (including IEPs). The agency shall take into consideration the performance of Director (including IEPs) for entire tenure served in NSEIL, at least up to 4 months before the expiry of his/her term.

NRC shall consider and recommend extension of his / her tenure to the Board. The Board shall in-turn consider and recommend to SEBI if the tenure of the Director (including IEPs) is desired to be extended by another term of three years.

B. Pursuant to Regulation 33(6) of SECC Regulations

Pursuant to the provisions of Regulation 33(6) of SECC Regulations and SEBI Circular 2025, NSEIL shall appoint an independent external agency to evaluate its performance and the performance of statutory committees. The independent external evaluation shall take place once in every three years. The report shall be submitted to the Board of NSEIL and SEBI within six months from the end of the third financial year to be evaluated.

The minimum criteria, rating framework for the independent external evaluation has been prescribed by the SEBI in SEBI Circular 2025.

6. Method of Evaluation

The internal evaluation to be conducted in the following manner:

- a. A detailed Questionnaire to be circulated to individual directors and Committee members;
- b. If deemed fit, the questionnaire may enable written answers to be submitted on a confidential basis. If due to various reasons, Committee/Board members are not willing to provide written inputs, the Chairperson or any other person may take initiative and obtain views of such Committee/Board members on a confidential basis to the Chairperson of NRC.

The external evaluation of Directors (including IEPs) can be conducted in the following manner:

- a. External evaluation to be done basis the questionnaire/interview or a combination of the two.
- b. It is to be ensured that the external evaluator is not a related party or conflicted due to closeness of the Board/Committee to ensure impartiality.

The internal evaluation as well as external evaluation shall carry equal weightage.

7. Evaluation process including analyzing of results

- i. Questionnaire to be sent individually to all the Director (including IEPs) to evaluate the performance of all the other Directors (including IEPs), the Board and its Committees and assign appropriate scores.
- ii. The Chairperson of NRC may club the scores of each Director (including IEPs) and arrive at an average to determine the results of performance evaluation.
- iii. The scores obtained by all the Directors (including IEPs) will be placed before the meetings of NRC and PID appropriately.

8. Feedback on internal evaluation

Feedback is crucial for the success of Board Evaluation and hence collated feedback may be provided.

9. Action Plan for internal evaluation

- a. NRC to review the implementation of the Board evaluation and its compliance.
- b. Based on the analysis of the evaluation, the Board may prepare an action plan taking into consideration any of the following factors:
 - Areas of improvement required for the Board.
 - Training to be imparted, skill building etc.
 - Listing of actions to be taken.
 - Timeline for implementation of these actions.
 - Person responsible for its implementation.
 - Resources required to implement the plan.
 - Review of the actions within the prescribed timelines.
 - Any other actions, as may be required/necessary.
- c. The suggestions received under evaluation to be taken into consideration while drafting the action plan.

d. Board shall strive to take necessary steps to implement the action plan.

10. Amendment

Any amendment or modification in the Act, SCRA 1956, SECC Regulations, Rules, Regulations and directives issued under the respective statutes (which include LODR Regulations) and other regulatory guidelines as amended from time to time shall automatically be applicable to NSEIL.

11. Disclosure

In accordance with the requirements under the LODR Regulations and the Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of its own performance, performance of various Board Committees and individual Directors will be made by the Board in the Board's report. Performance evaluation criteria for PIDs shall be disclosed in the Annual Report as well as on the website of NSEIL.

12. Review of the policy

Pursuant to the SEBI circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/26 dated February 5, 2019, this Policy shall be reviewed once in every three years to ensure that it meets the regulatory requirements and latest industry practice. Changes, if any made to the Policy shall be approved by the NRC and the Board.