



***POLICY ON SELECTION, APPOINTMENT AND
SUCCESSION PLANNING OF DIRECTORS***

Document History

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POLICY ON SELECTION, APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS

1. Introduction

This Policy outlines guiding principles for the Board of Directors for identifying persons who are qualified to become Directors and the process for the selection, appointment and succession planning of Directors. The Policy has been prepared as per provisions the Companies Act, 2013 (“the Act”), applicable laws and regulations issued by the RBI in this regard from time to time.

2. Objective of the Policy

The Company recognizes that a committed, well-balanced Board creates a culture of leadership to provide long-term vision, ensure governance as well as protect the interest of all stakeholders.

The objectives of the Policy shall, inter-alia, include the following:

- a) To identify the key skills and expertise required on the board as a whole to support the company’s strategic goals alongwith competency requirements to assess potential incumbents.
- b) To define objective and transparent criteria of appointment of directors including factors like qualifications, experience, skill sets, independence, diversity, and alignment with Company values.
- c) To outline guiding principles for selection of suitable candidates for Board’s consideration and approval to fill the vacant/newly created Board seats, which could also be subject to the receipt of requisite approval/prior approval from the various statutory/ regulatory authorities, as may be applicable;
- a) To ensure continuity of operations in the event of cessation of any Member of the Board.

I. Selection of Directors on the Board

Qualifications, key skills and expertise required on the Board

The identification and selection of qualified directors is a complex and subjective process that requires consideration of many intangible factors and will be significantly influenced by the particular needs of the Board, ecosystem, size of Company’s operations, from time to time. As a result, there is no specific set of minimum qualifications, qualities or skills that are necessary for a candidate to possess, other than those that are necessary to meet applicable regulatory requirements. However, the Board have identified the skills and expertise required on the NBBL Board which can help in selecting right candidate viz. payments, technology, financial, banking, marketing brand, risk management, etc.

Further, the proposed candidate for directorship is required to adhere the following requirements:

- i. Shall possess a valid Director Identification Number;
- ii. Shall not be disqualified under the Act or any other such authority or applicable laws;
- iii. Shall give his/her written consent to act as a Director of the Company;
- iv. Shall endeavour to attend all Board Meetings and wherever he/she is appointed as a Committee Member of the Committee Meetings;
- v. Shall abide by the Code of Conduct established by the Company for Directors;
- vi. Shall disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the board in which he/she participates as a director and thereafter at the first meeting of the Board in every financial year and whenever there is a change in the disclosures already made;
- vii. Such other requirements as may be prescribed, from time to time, under the Act and other relevant laws.

II. Appointment / re-appointment of Directors on the Board

- a) Based on the qualifications, key skills and expertise required on the Board, Chairperson of the Board (or duly empowered committee of the Board) shall identify persons who could be qualified to become directors on the Board of the Company as per succession planning framework.
- b) The Chairperson of the Board may have informal interactions with the identified pool of candidate(s), on behalf of the Board for shortlisting the candidature for consideration of his / her appointment on the Board.
- c) Following factors shall be considered for evaluation of potential candidates for the position of director:
 - i. Maximum permissible age for appointment/ reappointment/continuation director prescribed under the Act or applicable laws as amended from time to time.
 - ii. The candidate shall possess relevant educational qualifications, knowledge and skills, competence, expertise, track record, integrity and judgement for performing the duties and responsibilities of a Director.
 - iii. The candidate shall possess special knowledge and / or rich experience across a wide spectrum of at least one of the functional areas such as: payments, technology, strategy and innovation, banking, finance and accounting, audit, risk

management, consumer interest/engagements, business strategy, Innovation, cyber security, payment and settlement systems, human resources, marketing, fintech or any other field of expertise as deemed appropriate for the Company's business from time to time.

- iv. The candidate shall be able to devote sufficient time and attention required to properly discharge his/her fiduciary duties in his/her capacity as a Director of the Company.
 - v. The prior experience of the candidate shall be suitable to the present and /or potential future needs and the requirements of the Company vis-à-vis its stature and complexity of the operations.
 - vi. Key skills desirable on the Board, diversity, independence, etc.
- d) Based on the results of the above evaluation of the candidate(s), the Board (or duly empowered committee thereof) shall shortlist the candidate(s) suitable for appointment as the directors of the Company. Such candidate shall be required to submit requisite declarations / confirmations and compliance documents as prescribed by the Companies Act, 2013.
- e) The Board (or duly empowered committee thereof) shall also assess whether the candidate(s) fulfils all the eligibility criteria to be appointed as Director as prescribed in the applicable laws. For e.g. in case of appointment of an independent director, the Board(or duly empowered committee thereof) shall also consider the additional criteria prescribed for independent directors under the Act.

Based on the information obtained from the aforesaid declarations / confirmations, and the Board's own examination / scrutiny, the Board may upon recommendation of duly empowered committee thereof, if any, approve the appointment of such candidate as the Director, subject to approval of the shareholders at the General meeting.

- f) At the time of re-appointment of Director(s), the Board (or duly empowered committee thereof) shall follow the process prescribed in this Policy for appointment of Directors. Further, re-appointment of Independent Director shall be based on report of performance evaluation.

III. Succession planning framework

- a) The Board (or duly empowered committee thereof) shall review the structure, size and composition of the Board (including skills, knowledge and experience) taking into

account the current requirements and future developments of the Company and make any adjustments that are deemed necessary.

b) The Company shall strive to initiate process of appointment of Director(s) atleast six months before the expiry of the tenure of an existing Director except in case of any unexpected vacancy.

c) Succession Pool of Directors:

i) Independent Directors:

The Board (or duly empowered committee thereof) may consider candidates for the position of independent director, from the databank of independent directors maintained by association, body, institute or association, notified by the Central Government, as per the provisions of Section 150 of the Act.

ii) Other than independent directors

The Board (or duly empowered committee thereof) may also consider candidates based on inputs from existing Directors and/or utilize the services of external firms to assist in identifying potential candidates.

3. Letter of Appointment

The Company shall issue a formal letter of appointment to the director at the time when he/she is appointed / re-appointed by the Board and at the time he/she is appointed / re-appointed by the shareholders at the General Meeting. Further, the letter of appointment to be issued to the Independent Director shall, inter alia, shall also set out the matters as stated in Schedule IV to the Act.

4. Induction Training for newly appointed Board Members

Induction training for newly appointed board members will be provided.

5. Administrative Support

The Company Secretary may provide administrative support as needed required by Board (or duly empowered committee thereof) from time to time, such as conducting searches in the database to meet the requirements set forth by the Board (or duly empowered committee thereof).

6. Review of the Policy

This Policy will be reviewed and reassessed by the Board (or duly empowered committee thereof) on an annual basis or as and when required the appropriate changes shall be made to update this Policy based on changes that may be brought about due to any regulatory / statutory amendments or otherwise.

7. Laws to take precedence

If any of the provisions of this Policy are inconsistent with the applicable Laws, then the provisions of applicable laws shall prevail over the Policy to that extent, and the Policy shall be deemed to have been amended so as to be read in consonance with applicable laws. As this Policy is pursuant to the applicable laws, if any change to applicable laws or interpretation thereof necessitates any change to the Policy, then this Policy shall be read so as to accommodate the changes.