

CODE OF CONDUCT FOR DIRECTORS

i. Meetings and minutes.

Every director of NSDL shall:

- a) not participate in discussions on any subject matter in which any conflict of interest exists or arises, whether pecuniary or otherwise, and in such cases the same shall be disclosed and recorded in the minutes of the meeting;
- b) not encourage the circulation of agenda papers during the meeting, unless circumstances so require;
- c) offer their comments on the draft minutes and ensure that the same are incorporated in the final minutes;
- d) insist on the minutes of the previous meeting being placed for approval in subsequent meeting;
- e) endeavour to have the date of next meeting fixed at each governing board meeting in consultation with other members of the governing board;
- f) endeavour that in case all the items of the agenda of a meeting were not covered for want of time, the next meeting is held within fifteen days for considering the remaining items.

ii. Code of Conduct for the public interest directors.

- a) In addition to the conditions stated in Para (i) above, public interest directors of NSDL shall, endeavour to attend all the governing board meetings and they shall be liable to vacate office if they remain absent for three consecutive meetings of the governing board or do not attend seventy five per cent. of the total meetings of the governing board in a calendar year.
- b) Public interest directors shall meet separately, at least once in six months to exchange views on critical issues.

iii. Strategic planning.

Every director of NSDL shall:

- a) participate in the formulation and execution of strategies in the best interest of the depository and contribute towards pro-active decision making at the governing board level;
- b) give benefit of their experience and expertise to the depository and provide assistance in strategic planning and execution of decisions.

iv. Regulatory compliances.

Every director of NSDL shall:

- a) endeavour to ensure that the depository abides by all the provisions of the Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, rules and regulations framed thereunder and the circulars, directions issued by the Board from time to time;
- b) endeavour compliance at all levels so that the regulatory system does not suffer any breaches;
- c) endeavour to ensure that the depository takes commensurate steps to honour the time limit prescribed by Board for corrective action;
- d) not support any decision in the meeting of the governing board which may adversely affect the interest of investors and shall report forthwith any such decision to the Board.

v. General responsibility.

Every director of NSDL shall:

- a) place priority for redressing investor grievances;
- b) endeavour to analyze and administer the depository issues with professional competence, fairness, impartiality, efficiency and effectiveness;
- c) submit the necessary disclosures/statement of holdings/dealings in securities as required by the depository from time to time as per their bye-laws or Articles of Association;
- d) unless otherwise required by law, maintain confidentiality and shall not divulge/disclose any information obtained in the discharge of their duty and no such information shall be used for personal gains;
- e) maintain the highest standards of personal integrity, truthfulness, honesty and fortitude in discharge of their duties in order to inspire public confidence and shall not engage in acts discreditable to their responsibilities;
- f) perform their duties in an independent and objective manner and avoid activities that may impair, or may appear to impair, their independence or objectivity or official duties;
- g) perform their duties with a positive attitude and constructively support open communication, creativity, dedication, and compassion;
- h) not engage in any act involving moral turpitude, dishonesty, fraud, deceit, or misrepresentation or any other act prejudicial to the administration of the depository.