ANAND RATHI GLOBAL FINANCE LIMITED
("NBFC/ARGFL")

NOMINATION & REMUNERATION POLICY

(ARGFL/SECRETARIAL/NR/2026/V6)

Version History

Version	Approval	Version Description	Regulatory Reference
I	Board Meeting dated April 25, 2017	2017	Companies Act, 2013
II	Board Meeting dated October 24, 2019	2019	Companies Act, 2013
III	Board Meeting dated September 3, 2021	2021	Companies Act, 2013
IV	Board Meeting dated February 22, 2023	2023	RBI regulations
V	Board Meeting dated May 26, 2025 (Reviewed)	2025	RBI regulations
VI	Board Meeting dated February 26, 2026	2026	RBI regulations

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NOMINATION & REMUNERATION POLICY

1. Background

Anand Rathi Global Finance Limited is an unlisted company incorporated under the provisions of the Companies Act, 1956 and is a Reserve Bank of India (RBI) registered Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company ("NBFC-NDSI").

The Company recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Nomination and Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and teamwork and inculcating a sense of belongs and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Policy reflects the Company's objectives for good governance as well as sustained long term value creation for shareholders.

2. Scope

The Nomination and Remuneration Committee and Nomination & Remuneration Policy of Anand Rathi Global Finance Limited is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and stipulated by the Reserve Bank of India (RBI) for NBFCs.

This remuneration policy applies to Directors, Senior Management including its Key Managerial Personnel (KMP) and other employees of the Company. This policy is approved by the Board of Directors.

3. Objectives

a. Formulate the criteria for determining qualification, positive attributes and independence of director.
b. To recommend the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
c. To specify the manner for effective evaluation of the performance of Board, its committees and individual; director to be carried out by the Board and review its implementation and compliance.
d. Devising a policy on Board Diversity
e. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
f. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

4. Definitions

i. Act**:** Act means The Companies Act, 2013 and Rules made thereunder, as amended from to time.
ii. Company: Company shall mean "Anand Rathi Global Finance Limited".
iii. Board: Board of Directors of the Company
iv. Directors: Directors means a Director appointed to the Board of a Company.
v. Independent Director: Independent Director of the Company appointed in pursuance of the Companies Act.
vi. Key Managerial Personnel means
    a. Managing Director
    b. Whole-Time Director
    c. Chief Executive Officer
    d. Chief Financial Officer
    e. Company Secretary
    f. Such other officer as may be prescribed from time to time.
vii. Senior Management: Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors including functional heads comprising of all members of management one level below the executive directors, including the functional heads whose appointment, remuneration and performance are overseen by NRC to ensure quality and alignment with company goals
viii. Nomination & Remuneration Committee: Committee of the Board, constituted in accordance with provisions of section 178 of the Act.
ix. Remuneration: Any money or its equivalent given or passed on to any person for services rendered which included perquisites and other benefits.
x. Malus: An arrangement that permits an NBFC to prevent vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it had already occurred.
xi. Clawback: A contractual agreement between the employee and the regulated entity in which the employee agrees to return previously paid or vested remuneration to the entity under certain circumstances.
xii. Relative: Any one is related to another if they are
    (i) Members of Hindu Undivided Family (HUF)
    (ii) Husband and Wife
    (iii) one person is related to the other as may be prescribed under Companies Act 2013.
xiii. Retention Period: The period after vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed.
xiv. Substantial Interest: shall mean the holding of a beneficial interest by an individual or his spouse or minor child, whether singly or taken together in the shares of a company, the amount paid up on which exceeds ten percent of paid-up capital of the company; or the capital subscribed by all the partners of a partnership firm.

5. Constitution of the Committee

a. The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the applicable statutory requirement (s) and Company's policy.

b. The Committee shall be comprised of three or more Non-Executive Directors out of which not less than one-half shall be Independent Directors. Provided that the Chairman of the Company (whether Executive or Non-Executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
c. The Chairperson of the Committee shall be appointed by the Board. In case of absence of Chairperson, the members of the Committee shall elect among them to act as Chairperson.
d. The Directors' Report to the Members of the Company shall include a statement indicating the membership of committee.
e. Chairperson of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Note: Term of Committee is continued unless terminated by the Board of Directors.

6. Role of the Committee

The role of the Committee shall:

i. To identify persons who are qualified to become Directors and who may be appointed in Senior Management or as Key Managerial Personnel and recommend to the Board their appointment.
ii. To recommend to the Board on policy relating to appointment / removal of Directors, Key Managerial Personnel and Senior Management, if considered appropriate.
iii. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
iv. To recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management Employees.
v. to ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks
vi. To formulate the criteria for evaluation of performance of Board, Directors, Independent Directors and Board Committee.
vii. Shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out by the Board and review its implementation and compliance thereto.
viii. To identify whether to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation and to recommend the same.
ix. To devise a policy on Board diversity.
x. To develop a succession plan for the Board and to regularly review the plan.
xi. Any other matter, as required to be performed under the Act or as may be delegated by the Board of Directors.

7. Appointment Criteria

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment/reappointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.

b. A person should possess the adequate qualification, expertise and experience for the position he/ she is considered for appointment/reappointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
c. The Committee shall undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board/reappointment, based upon qualification , expertise, track record, integrity and other "Fit & Proper " criteria. The Committee shall obtain necessary information and declaration from the proposed/ existing directors for the purpose in the format given at Annexure in Master Direction of RBI.
d. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment/reappointment.
e. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.
f. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed/reappointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

8. Additional Criteria for Appointment of Independent Directors:

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Companies Act, 2013.

The Committee and Board shall ensure that there is no conflict arising out of its independent director/s being on the Board of another NBFC at the same time.

9. Term / Tenure:

The Term/Tenure of the Directors including Independent Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

10. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said act, rules and regulations.

11. Retirement

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing internal policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

12. Quorum of the Committee

The quorum for a meeting of the Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

13. Frequency of the Meeting

The Nomination and Remuneration Committee shall meet at least once in a year.

14. Criteria for Evaluation:

Following are the Criteria for evaluation of performance of Board, Independent Directors, Board Committee and the Board.

A) EVALUATION CRITERIA – BOARD

1.	Knowing and understanding the Company's mission and engages in long-range strategic thinking and planning.
2.	Ensure that new Board members receive a prompt, thorough orientation.
3.	Board meetings should be conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.
4.	Board meeting agendas should be well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.
5.	Board should recognize its policy-making role and re-considers and revises policies, as necessary.
6.	Board as a whole (and Board members as individuals) should evaluates its performance on an annual basis and in a meaningful way.
7.	The Board should review periodic performance of the Company / results.
8.	The Board should bring discussions to a conclusion with clear direction to Management for implementation and is collegial and polite during meetings.
9.	New board members should participate in an orientation program to educate them on the organization, their responsibilities, and the organization's activities.

B) EVALUATION CRITERIA – COMMITTEES

1.	The Committees are comprised of the right number and type of members and are effective.
2.	The composition, terms of reference, roles and responsibilities of the committees are in line with the prevalent regulations and are actively adhered to by the members.
3.	The Committee meeting agendas are well- balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.

4.	Committee meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.

C) EVALUATION CRITERIA – DIRECTOR

1.	The Director attends the Board and Committee meetings and contributes to the discussion in a meaningful and helpful way, listening to others and making his / her points concisely.
2.	The Director understands his / her fiduciary duties and acts for the benefit of all members
3.	The Director makes an effort to be educated on the aspects of the business of the Company that he / she does not understand
4.	The Director is adequately well- versed with Company's business.
5.	The Director works with the other Board members as a team, striving for consensus when it is called for.
6.	The Director works with the other Directors in a way that creates an atmosphere of trust and cooperation.
7.	The Director communicates governance and compliance matters to the Chairman of the Committee / Board.

D) EVALUATION CRITERIA – INDEPENDENT DIRECTOR

1.	Helps in bringing an independent judgment to bear on the Board's deliberations
2.	Brings an objective view in the evaluation of the performance of Board and Management
3.	Undertakes to regularly update and refresh his skills, knowledge and familiarity with the Company
4.	Seeks appropriate clarification/information and, where necessary, takes appropriate professional advice and opinion of outside experts
5.	Strives to attend all meetings of the Board of Directors / Board committees of which he is a member / general Meetings
6.	Communicates governance and compliance practices to the Chairman of the Board.
7.	Pays sufficient attention and ensure that adequate deliberations are held before approving related party transactions.
8.	Ensures that the Company has an adequate and functional vigil mechanism.

A questionnaire based on above criteria to be circulated to individual directors, Committees, Board.

15. Policy on Board diversity

The Board of Directors of the Company should have a fair combination of executive and non-executive Directors with not less than 50 percent being Non-Executive Directors. The Company shall maintain the strength of Independent Directors on its Board keeping in mind the regulatory requirements and guidelines on Corporate Governance.

The Company shall appoint Directors keeping in mind an ideal diversity in knowledge or expertise that could add value to the overall performance of the Board and of the Company. The desired diversity may be fixed by the Nomination and Remuneration Committee ("the Committee") based on the nature of business of the Company from time to time. The diversity of the total Board may include expertise from the area like Banking, Finance, Accountancy, Taxation , Governance, Regulatory background, Law and practice , Management, Administration , production, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

16. Remuneration/ Compensation

The remuneration of Director, KMP and Senior Management Personnel shall be recommended by the Committee to the Board and shall be subject to the provisions of Companies Act, 2013.

The Board of Directors shall decide the actual amount to be paid to each Non Executive/ Independent Director based on factors such as meetings attended by the Director, time and effort put in and contribution made by them.

The Committee shall ensure that:

i. The remuneration to be paid to the Director, KMP and Senior Management Personnel shall be put to the Board on the recommendation of NRC and subject to approval of shareholders in compliance with regulatory provisions. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully.

ii. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.

iii. The remuneration to Directors, Key Managerial Personnel and senior management should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

iv. Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The Board may at its discretion revise the sitting fees payable to the Independent Directors from time to time provided that the amount of such fees shall not exceed the limits prescribed under the Companies Act, 2013 or rules made thereunder.

v. Remuneration to Non-Executive Directors by the Company is strictly subject to conditions prescribed in Companies Act, 2013 and other regulatory guidelines , as applicable.

vi. Independent Directors are not eligible for stock options.

Besides the above Criteria, the Remuneration/ compensation/ commission etc. to be paid to Director/ Managing Director/ Whole-Time Director/ KMP etc. shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

The remuneration to be paid to other employees shall be decided and approved by Head of Human Resource department in consultation with Management depending upon level of employee, job profile, performance, future potential etc.

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

While deciding Compensation for Key Managerial Personnel and members of Senior Management, Company would undertake following RBI Guidelines.

- NRC will ensure that compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).

- NRC will decide the Compensation for KMP and Senior Management level. These Compensation will be reasonable, recognising all relevant factors including adherence to statutory requirements and industry practices. The compensation packages may comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

- NRC may work in close co-ordination with the Risk Management Committee to achieve effective alignment between compensation and risks.

- NRC to ensure 'fit and proper' status of proposed and existing directors and that there is no conflict of interest in appointment of directors, KMP and senior management.

- **Composition of Fixed Pay:** All the fixed items of compensation, including the perquisites and contributions towards superannuation/retiral benefits, may be treated as part of fixed pay. All perquisites that are reimbursable may also be included in the fixed pay so long as there are monetary ceilings on these reimbursements. Monetary equivalent of benefits of non – monetary nature (such as furnished house, use of Company Car, etc) may also be part of fixed pay.

Principles for Variable Pay

- **Composition of Variable Pay**: The variable pay may be in the form of share-linked instruments, or a mix of cash and share-linked instruments. It shall be ensured that the share-linked instruments are in conformity with relevant statutory provisions.

- **Proportion:** The proportion of variable pay in total compensation needs to be commensurate with the role and prudent risk taking profile of KMPs/ senior management. At higher levels of responsibility, the proportion of variable pay needs to be higher. There should be proper balance between the cash and share-linked instruments in the variable pay in case the variable pay contains share linked instruments. The variable pay should be truly and effectively variable and can be reduced to zero based on performance at an individual, business-unit and company-wide level. In order to do so, performance measures and their relation to remuneration packages should be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism.

- **Deferral of variable pay:** Not all the variable pay awarded after performance assessment may be paid immediately. Certain portion of variable pay, as decided by the Board of the company, may be deferred to time horizon of the risks. The portion of deferral arrangement may be made applicable for both cash and non-cash components of the variable pay. Deferral period for such an arrangement may be decided by the Board of the company.

- **Control and assurance function personnel:** KMPs and senior management engaged in financial control, risk management, compliance and internal audit may be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the company. Accordingly, such personnel may have higher proportion of fixed compensation. However, a reasonable proportion of compensation may be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

- **Guaranteed bonus:** Guaranteed bonus may not be paid to KMPs and senior management. However, in the context of new hiring joining/sign-on bonus could be considered. Such bonus will neither be considered part of fixed pay nor of variable pay.

- **Malus / Clawback:** The deferred compensation is subject to malus/clawback arrangements in the event of subdued or negative financial performance of the company and/or the relevant line of business or employee misconduct in any year.

Malus and Clawback Triggers:

In keeping with the emerging best practice in corporate governance, the Board may take action on recommendation of the Remuneration Committee to adjust (malus) or recover (clawback) unvested ‘at risk’ remuneration where there is reasonable evidence that an KMP or Senior Management Personnel has materially involved for reasons (Trigger Event) as mentioned below:

a) Personally, acting fraudulently or dishonestly or in manner that adversely affects the Company’s reputation, or which is characterised as gross misconduct.
b) Directing an employee third party person or advisor to act fraudulently, dishonestly or to undertake other misconduct.
c) Breaching their material obligations to Company through error, omission or negligence.
d) Receiving any kind of gain because of fraud, dishonestly or a breach of obligation committed by other person; and/or
e) Receiving any kind of gain because of an error in the calculation or inaccurate or misleading information of a performance measure.
f) A material misstatement of the financial results resulting in an adjustment in the audited financial (consolidated/standalone) accounts of company/group company
g) Action or conduct of an KMP/ senior management which in reasonable opinion of the Board/remuneration Committee, amounts to serious misconduct or gross negligence
h) Events or behaviour of KMP/ senior management or the existence of events attribute to a participant which led to the censure of the Company or group company by a regulatory authority or have had significant detrimental impact on the reputation of the Company.

deferral and retention periods are considered **during which malus and/or clawback can be applied**

Right to invoke malus and/or clawback

In respect of determining if malus and /or clawback should be invoked in terms of a Trigger event which has been discovered, NRC will consider a Participant’s proximity to the applicable Trigger event and his or her level of responsibility and informs the Board.

Malus : In the event that the Board becomes aware of a Trigger Event, it may apply Malus.

Clawback : In the event that the Board becomes aware of Trigger Event and determines , in its discretion that clawback should apply :

- The Board may require KMP/ Senior Management to reimburse the Company for all or part of any relevant incentive remuneration amount;

- To the extent that any relevant incentive remuneration amount is not immediately recovered upon demand from KMP/ Senior Management, The Company has the right to require that payment of any compensation owing by Company to KMP/ Senior Management, including any salary any other unpaid remuneration, be immediately withheld or irrecoverably cancelled by the Company to compensate for the Incentive Remuneration Amount or any unrecovered portion thereof, and to bring any other legal actions against a Participant which the Board may deem necessary or advisable to recover the Incentive Remuneration Amount;

- recovery of the Incentive Remuneration Amount in terms of this Policy will be initiated by the Company at the instruction of the Board, and all amounts recoverable or payable in terms hereof shall be paid to the Company or any member of the Group at the direction of the Board; and

- the Company will not obstruct any process that deals with any tax recovery related to an Incentive Remuneration Amount.

17. Succession Policy

Committee formulates and develops Succession plan for the Board and Senior Management. Objectives of Succession Policy includes:

A) To identify and recommend suitable candidates for the Board's approval (including Nomination and Remuneration Committee) to fill the vacancies which arises in the Board of the Company from time to time.

B) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.

C) To identify the key job incumbents in Senior Managerial positions and recommend whether the concerned individual (i) be granted an extension in term/service or (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s).

D) To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements and other unexpected occurrence.

18. Minutes of Committee Meeting

Proceedings of all meetings are recorded in the minutes and are signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings are tabled at the following Board and Committee meeting.

19. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Preamble

In view of the provisions of Schedule IV to the Companies Act, 2013, the Directors of the Company should undergo appropriate induction training to familiarize them with the Company, its business and model, their roles and responsibilities in the Company. The Policy provides the basic insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the affairs Company.

Induction on Joining the Board of Directors

The new Director is welcomed to the Board of Directors of the Company by sharing the following documents of the Company for his / her references:

- Memorandum of Association and Articles of Association of the Company
- Annual Reports of last three consecutive years
- Organizational Chart of the Company and the profile of all the Directors and the Senior Managerial Personnel of the Company
- List of Contact details of the Directors, Senior Managerial Personnel and their personal / executive assistants.
- A detailed briefing on the roles and responsibilities of independent directors shall also be provided to the inductee

Familiarization Process

The Company shall through its Executive Directors / Senior Managerial Personnel conduct programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

The Company shall on a regular basis (as and when required and considered necessary) brief its Directors inter-alia about the Company's business model, shareholder profile, financial details, the micro finance industry, their roles, rights and responsibilities in the Company.

The Board shall also be periodically briefed on the various changes in the regulations governing the conduct of independent directors.

Policy Review

The Board will review this Program and make revisions as may be required.