

**ANGEL ONE LIMITED**

**NOMINATION AND REMUNERATION POLICY**

<i>Particlars</i>	<i>Date</i>	<i>Version</i>
<i>Policy adopted</i>	<i>July 11, 2018</i>	<i>1.0</i>
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This Nomination and Remuneration Policy is being formulated by the Nomination and Remuneration Committee (“**NRC**” or the “**Committee**”) in compliance with Section 178 of the Companies Act, 2013 (the “**Act**”) read along with the applicable rules thereto and Regulation 19 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”) as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management as formulated by NRC has also been approved by the Board of Directors.

**Definitions:**

“**Nomination and Remuneration Committee**” or “**Committee**” or “**NRC**” means the committee constituted by Board of Directors of the Company in accordance with the provisions of Section 178 of the Companies Act, 2013 and the provisions of Listing Regulations, as amended from time to time.

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“**Independent Director**” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations or any modifications thereof.

**“Key Managerial Personnel”** means: i) Chief Executive Officer or the Managing Director or the Manager; ii) Whole-time Director; iii) Chief Financial Officer; iv) Company Secretary; and v) such other officer as may be prescribed.

**“Senior Managerial Personnel”** shall have the same meaning as ascribed in the Listing Regulations and the Act.

Any term not defined in the Policy shall have the same meaning assigned to it under the Companies Act, 2013 or the Listing Regulations / SEBI Guidelines or relevant Indian Accounting Standards and preference should be given to the meaning assigned to such term under the Companies Act, 2013 and the Listing Regulations or Indian Accounting Standards as compared to other source of interpretation.

The Policy has been framed to maintain the highest standard of corporate governance and therefore interpretation of any matter in this Policy should be consistent with the objectives for introducing such requirements in the Companies Act, 2013 and the Listing Regulations.

#### **Objectives:**

The objectives of the policy are to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **Role of the Committee:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy and to recommend to the Board of Directors their appointment and removal.

- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **A. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of 70 years. Provided that the term of the person holding this position may be extended beyond the age of 70 years with the approval of shareholders by passing a special resolution.

#### **Positive attributes of Independent Directors and other Directors:**

- ✓ Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- ✓ Skills, expertise and competences
- ✓ General understanding of the Company's business dynamics, global business and social perspective;



- ✓ Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- ✓ Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- ✓ To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- ✓ Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made thereunder as amended from time to time.

## **TERM / TENURE**

### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 5 years at a time. No re-appointment shall be made earlier than 1 years before the expiry of term.

### **b) Independent Director:**

An Independent Director shall hold office for a term up to 5 consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 10 years, but such Independent Director shall be eligible for appointment after expiry of 3 years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of 3 years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

## **EVALUATION**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

## **REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, 2013, rules and regulations and the policy of the Company.

## **RETIREMENT**

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

attaining the retirement age, for the benefit of the Company.

## **REVIEW**

The Board will review this policy and make revisions as may be required from time to time.

## **B. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

### **1) Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Executive Director (other than promoters) shall also be eligible for the grant of stock options, under the applicable Employee Stock Option Scheme of the Company, as may be decided by the Nomination and Remuneration Committee from time to time.
- c) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **2) Remuneration to Non-Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees for attending the meetings of the Board and the Committees thereof and such other remuneration as permissible under the provisions of the Act. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Act shall be subject to ceiling/ limits as provided under the Act and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- d) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-

based payments to be made to Directors (other than Independent Directors).

### **3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall, in compliance with the provisions of the Act and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.
- c) The pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

### **DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY**

All directors and officers (including Key Managerial Personnel and Senior Management Personnel) of the Company would be covered by the requisite Directors and Officers Liability Insurance Policy.

### **IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

### **REVIEW AND AMENDMENTS**

The Board will review this policy and make revisions as may be required from time to time. 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.