

ANANDRATHI

**ANAND RATHI SHARE AND STOCK
BROKERS LIMITED**

Terms and Conditions of Appointment
and Re-appointment of Independent
Directors

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Purpose

This Policy sets out the terms and conditions governing the appointment and re-appointment of Independent Directors of the Company, which is engaged in stock broking activities and listed on recognized stock exchanges. The Policy aims to ensure compliance with applicable corporate and securities laws, including stock broking regulations, while upholding the highest standards of corporate governance, transparency, and independence in Board functioning.

Applicable Laws and Regulatory Framework

This Policy is framed in accordance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations), and the rules, circulars, and guidelines issued by the Securities and Exchange Board of India, including those applicable to stock brokers. It shall also be read in conjunction with the Articles of Association of the Company, Schedule IV of the Companies Act, 2013, and the regulatory requirements of recognized stock exchanges such as National Stock Exchange of India and BSE Limited or any other exchange where the Company is registered.

Definition of Independent Director

An Independent Director means a director who meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the relevant provisions of the SEBI (LODR) Regulations. Such director shall be a person of integrity and possess relevant expertise and experience, and shall not have any material pecuniary relationship with the Company, its promoters, or its management that may affect their independence of judgment.

Appointment of Independent Directors

Independent Directors shall be appointed / re-appointed by the shareholders of the Company through an ordinary or special resolution, as required under applicable laws. The appointment shall be formalized through a letter of appointment detailing the terms and conditions of engagement. The Company shall ensure that the proposed appointee's name is included in the databank maintained by the Indian Institute of Corporate Affairs, and that all necessary consents, declarations of independence, and disclosures are obtained prior to appointment.

Prior Approval of Stock Exchanges

Given that the Company operates as a stock broker and is registered with multiple five (5) stock exchanges, the appointment or re-appointment of an Independent Director shall be subject to prior approval from all such stock exchanges where the Company is registered or holds membership, including but not limited to National Stock Exchange of India and BSE Limited. The Company shall obtain such approvals in accordance with applicable stock broking regulations, bye-laws, and directives issued by the exchanges and the Securities and Exchange Board of India. The proposal for appointment shall be placed before the Board and shareholders only after receipt of such approvals, and the appointment shall become effective subject to completion of all regulatory formalities.

Tenure

An Independent Director shall hold office for a term of up to five consecutive years from the date of appointment. An Independent Director shall be eligible for re-appointment for a second term of up to five consecutive years, subject to approval of shareholders by way of a special resolution and prior regulatory approvals as applicable. No Independent Director shall hold office for more than two consecutive terms, and shall be eligible for re-appointment only after a cooling-off period as prescribed under applicable laws. The Independent Directors are not liable to retire by rotation.

Re-appointment

The re-appointment of an Independent Director shall be based on a formal evaluation of performance, continued independence, and the recommendation of the Nomination and Remuneration Committee. Such re-appointment shall be subject to approval of the Board of Directors and approval of shareholders by way of a special resolution, in accordance with applicable laws and stock broking regulations.

Roles and Responsibilities

Independent Directors shall bring an objective and independent view to the deliberations of the Board and shall safeguard the interests of all stakeholders, including clients and investors in the securities market. They shall provide independent judgment on issues relating to strategy, risk management, compliance, and governance, particularly in the context of stock broking operations and regulatory obligations. The Independent Director should abide by the guidelines of professional conduct and discharge your role, functions and duties in accordance with the Code for Independent Directors (Schedule IV of the Companies Act, 2013) and the Articles of Association of the Company.

Duties

Independent Directors shall perform their duties in accordance with Schedule IV of the Companies Act, 2013 and applicable SEBI regulations. They shall act in good faith, exercise due care, skill and diligence, maintain independence of judgment, and ensure that adequate

systems are in place for compliance with securities laws, prevention of fraud, and protection of investor interests.

Remuneration

Independent Directors shall be entitled to receive sitting fees for attending meetings of the Board and its Committees and reimbursement of expenses. However, the sitting fee paid to Independent Director shall not be less than the sitting fee paid to other directors. Further, they shall not be entitled to stock options or any equity-linked incentives, in compliance with applicable regulations.

Performance Evaluation

The performance of Independent Directors shall be evaluated annually by the Board and the Nomination and Remuneration Committee, based on criteria such as participation, contribution to Board deliberations, independence of judgment, and effectiveness in ensuring regulatory compliance and governance standards, particularly in stock broking operations.

Separate Meetings

The Independent Directors shall hold at least one separate meeting in each financial year without the presence of non-independent directors and members of management. In such meetings, they shall review the performance of the Board, the Chairperson, and the flow of information between management and the Board.

Training and Familiarization

The Company would provide ongoing training and familiarization programs to Independent Directors, including updates on securities market regulations, stock broking operations, risk management practices, and compliance requirements. Details of such training programs attended by each Independent Director shall be disclosed on the Company's website.

Resignation and Removal

An Independent Director may resign by submitting a written notice to the Company specifying the reasons for resignation. The Company would also inform the stock exchanges and regulatory authorities as required. Removal of an Independent Director shall be carried out in accordance with the provisions of the Companies Act, 2013, SEBI regulations, and stock exchange requirements.

Code of Conduct

Independent Directors shall adhere to the Company's Code of Conduct and the Code for Independent Directors as prescribed under Schedule IV of the Companies Act, 2013. They shall also comply with applicable SEBI regulations, including those relating to insider trading, confidentiality, and fair market conduct.

Disclosure of Interest

Independent Directors shall disclose their financial and other interests, including any relationships that may affect their independence. They shall also promptly inform the Company of any change in circumstances that may impact their independence.

Review / Amendment to the Policy

The Board of Directors, may in their discretion and on recommendation of the any committee of the Board constituted for this specific purpose, review the Policy and make any changes/modifications and/or amendments to this Policy from time to time. In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

The Board of the Company shall also have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

Version Control

Version	Date of Adoption / Review / Revision	Change Reference	Approving Authority
1.	14 th April, 2026	Adopted	Board of Directors