

Nomination and Remuneration Policy

*[Pursuant to Section 178 of the Companies Act, 2013]
Version 2.0*

Legal Provision

- Section 178 of the Companies Act, 2013 (“the Act”)
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”)

as updated from time to time.

Background

Pyxis Finvest Limited (“the Company”) is an RBI registered NBFC listed on SME platform of BSE Ltd under scrip code 534109.

Objectives

- To formulate a framework for remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management aligned with prudent risk-taking and financial stability.
- To ensure Board diversity, transparency, and compliance with the Act and LODR Regulations
- To define performance evaluation process of the Board, its Committees, and individual Directors.

Applicability

This policy is applicable to the existing and proposed Directors, KMPs, Senior management and other employees (“Employees”) of the Company.

Constitution of the Nomination and Remuneration Committee (NRC) [Section 178(1)]

- The NRC shall consist of three or more non-executive Directors;
- At least half of them shall be Independent Directors;
- The Chairperson shall be an Independent Director.

Appointment / Re-appointment

NRC shall recommend to the Board the appointment or re-appointment based on the eligibility, appropriate skills, knowledge, expertise, competence, and experience in one or more fields useful to the Company’s business, and other criteria prescribed under Sections 149, 150, 152, 154, 160, 161, 162, 164, 165, 196, 203 and other applicable provisions of the Act read with the relevant rules and Schedules framed thereunder together with Articles of Association (AOA) of the Company and LODR Regulations (as amended from time to time).

NRC shall ensure that the Board have an appropriate mix of skills, gender, knowledge, and experience.

NRC must consider not only performance but also the long-term sustainability of the Company while recommending policies and appointments.

Resignation / Retirement / Removal

NRC to ensure that resignation / retirement / removal is in compliance with section 167, 168, 169 and such other sections of the Act read with the rules and Schedules made thereunder together with AOA of the Company and LODR Regulations (as amended from time to time).

Remuneration

NRC to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees to run the Company successfully
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks

- remuneration to employees involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- remuneration is in compliance with section 149, 197, 198, 199, 200, 201 and 202 of the Act read with the relevant rules and Schedules framed thereunder together with AOA of the Company and LODR Regulations (as amended from time to time).

Performance Evaluation

i. Criteria for Evaluation

A. Board as a Whole

- Composition, diversity, and structure.
- Effectiveness in setting strategy, vision, and goals.
- Oversight on governance, compliance, and risk management.
- Quality of discussions, information flow, and decision-making.
- Contribution to long-term sustainability and stakeholder value.

B. Committees of the Board

- Adequacy of composition, expertise, and independence.
- Clarity of roles and responsibilities as per law and charter.
- Effectiveness of deliberations and recommendations to the Board.
- Timely and proper discharge of statutory functions.
- Contribution to strengthening governance, controls, and compliance.

C. Individual Directors

- Knowledge and expertise relevant to the Company's business.
- Preparedness, attendance, and active participation in meetings.
- Quality of inputs and independence of judgment.
- Integrity, ethics, and avoidance of conflicts of interest.
- Contribution to Board effectiveness and decision-making.

D. Independent Directors (Additional Criteria – Schedule IV of Companies Act, 2013)

- Exercise of objective and independent judgment.
- Protection of the interests of minority shareholders.
- Commitment of sufficient time and attention.
- Fulfilment of roles as prescribed under law.

ii. Evaluation Process

The NRC shall oversee the evaluation process.

The evaluation may be conducted through:

- Structured questionnaires and feedback forms.
- One-on-one discussions and peer reviews.
- Self-assessment and Board-level review.

The NRC shall report the outcome of the evaluation to the Board, along with recommendations for improvement. The performance evaluation of Independent Directors shall be done by the entire Board, excluding the Director being evaluated. Evaluation shall be conducted annually or at such intervals as may be decided by the Board, in line with statutory requirements. The evaluation process and related documents shall be kept strictly confidential.

Succession Planning

NRC shall oversee succession planning for Board, KMP, and Senior Management.

- **Identification of critical roles** at the Board, KMP, and Senior Management levels.
- **Assessment of leadership needs** - evaluate future business strategy, regulatory environment, and industry changes to define leadership requirements.
- **Talent Mapping & Pipeline Development** - Maintain a pool of high-potential employees identified through performance reviews, leadership assessments, and mentoring. Encourage cross-functional exposure and leadership development programs.

- **Emergency Succession Plan** - Identify interim successors for sudden/unplanned exits of critical leaders.
- **Development & Grooming** - Leadership training, mentoring by Board members, and exposure to Board/Committee deliberations.
- Regular performance evaluation and feedback.

NRC to review succession plans at least **annually** and report to the Board and update the plan in line with organizational changes.

Disclosure

- Policy shall be placed on the website of the Company
- the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.
- Annual Report disclosures shall cover:
 - i. Director-to-median remuneration ratios
 - ii. Remuneration paid to Directors and KMPs

Review and Amendments

NRC shall review the policy annually or earlier if required due to amendments in the Act or LODR Regulations. Amendments shall be recommended to the Board for approval.

The above said policy was reviewed and approved with changes by the Board of Directors in their meeting held on 3rd September, 2025.

For Pyxis Finvest Limited

Sd/-

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