

Nomination and Remuneration Policy

AXIS ASSET MANAGEMENT COMPANY LIMITED

Nomination and Remuneration Policy

October, 2025

Sr. No.	Version No.	Date	Key Changes
1.	Version 1	September 30, 2022	No Changes
2.	Version 2	September 30, 2023	Added para w.r.t. Board evaluation can be carried out by the Board or NRC or independent external agency
3.	Version 3	September 30, 2024	No Changes
4.	Version 4	September 30, 2025	No Changes

Version control is being operationalized from September 2022 onwards.

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INTRODUCTION:

Section 178 of Companies Act, 2013 and Companies (Meetings of Board and its powers) Rules, 2014 prescribes that every Company having a paid up capital of ten crores or more shall constitute a Nomination and Remuneration Committee. Axis Asset Management Company Limited ("Axis AMC") already had a Nomination and Remuneration Committee in place. Axis AMC adopted the policy on Nomination and Remuneration in line with Section 178 of Companies Act, 2013.

OBJECTIVE OF THE POLICY:

The policy specifies the norms to be followed for the purpose of remunerating and nominating the Directors and staff of the Company. The methods must be objective, fair, transparent, and simple.

The objective of the Nomination and Remuneration Committee is to help the Board achieve its objective to ensure that the Company:

- has a Board of an effective composition, size, competence, qualification and commitment to adequately discharge its responsibilities and duties;
- has coherent remuneration policies and practices to attract and retain directors and executives who will create value for the shareholders;
- adheres to policies and best practices as prevalent in the marketplace.

SCOPE OF NOMINATION AND REMUNERATION COMMITTEE:

The scope of the Nomination and Remuneration Committee shall be as follows:

- To review the remuneration policy of the Company.
- To decide the remuneration package for employees and Directors, which includes salary, benefits, bonuses, pension and employee stock options/ long term incentive plan or any other Compensation Structure.
- To review termination packages for employees and Directors in excess of 1 (one) year's total remuneration for the concerned employee or Director on a cost to company basis.
- To undertake a process of due diligence to determine the suitability of any person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper criteria' specified by SEBI or the Board.
- Any other action/ requirement/ matter specified under the Companies Act, 2013 and/or any other applicable laws and/or as may be considered by the Nomination and Remuneration Committee.

ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE:

The role of the Nomination and Remuneration Committee is to assist the Board in its oversight of nomination and remuneration. Axis AMC already has a Nomination and Remuneration Committee in place.

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As per Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee has to adhere to the following:

- (a) It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- (b) It shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (c) It shall while formulating the policy consider following points:
 - 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 between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. Provided that, such policy shall be placed on the website of the company, if any, and 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.

COMMITTEE AND COMPOSITION:

Constitution:

The Nomination and Remuneration Committee shall have at least 5 (five) members comprising 3 (three) Independent Directors on the Board, 1 (one) Schroders Director and 1 (one) Bank Director.

However, the current composition of Nomination and Remuneration Committee is of 5 non-executive Directors out of which 4 directors shall be independent and 1 director shall represent Schroders.

This composition is as approved by the board of directors at its meeting held on September 27, 2019 and after due consultation with Axis Bank Limited.

Quorum:

The quorum for meetings of the Nomination and Remuneration Committee shall be 3 (three) Directors or one third of the total strength of the committee whichever is higher.

Chairman:

The Chairman of Nomination and Remuneration Committee shall be an Independent Director.

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Frequency of Meetings:

As and when required.

Scope:

The scope of the Nomination and Remuneration Committee shall be as follows:

- To review the remuneration policy of the Company
- To decide the remuneration package for employees and Directors, which includes salary, benefits, bonuses, pension and employee stock options/ long term incentive plan or any other Compensation Structure.
- To review termination packages for employees and Directors in excess of 1 (one) year's total remuneration for the concerned employee or Director on a cost to company basis.
- To undertake a process of due diligence to determine the suitability of any person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper criteria' specified by SEBI or the Board.
- Any other action/ requirement/ matter specified under the Companies Act, 2013 and/or any other applicable laws and/or as maybe considered by the Nomination and Remuneration Committee.

Head – HR team of the AMC or any other senior person of the Company would record the decisions and discussions of the meeting and whenever necessary this policy would be duly updated.

POLICY FOR APPOINTMENT OF INDEPENDENT DIRECTORS AND DIRECTORS

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.

1. Qualifications / experience for appointment of Independent Directors and Directors:

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their experience in the asset management or similar business.
- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made thereunder.

The Board and / or the Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

2. Positive attributes of Independent Directors and Directors:

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the relevant industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and

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discharge their responsibilities

- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- 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.

POLICY FOR APPOINTMENT OF KMP/SENIOR MANAGEMENT:

The Board / Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee may delegate its authority to identify and appoint personnel to the Managing Director & CEO or to any other person (e.g. Human Resources department), it may consider necessary and appropriate.

1. Qualifications / experience for appointment of KMP / Senior Management:

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

When recommending a candidate for appointment, the Committee has regard to:

- assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position;

- the extent to which the appointee is likely to contribute to the overall effectiveness of the Company, work constructively with the existing persons and enhance the efficiencies of the Company;

- the skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the company as a whole;

Personal specifications:

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

HR POLICIES

The appointments of KMPs / Senior Officials shall be subject to and in line with the HR policies of the Company introduced / amended from time to time.

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Term / Tenure:

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 five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Independent Director:

- An Independent Director shall hold office for a term up to five 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. Appointment of Independent Director will in line with Companies Act.

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

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

- 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 at regular interval (yearly).

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 a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

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.

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Policy relating to the Remuneration for the Managing Director / Whole-time Director, KMP and Senior Management Personnel

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials.

General:

- a) The appointment/remuneration / compensation / commission etc. to the Managing Director / Whole-time Director and appointment of KMP will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation /commission etc. payable to the Directors shall be subject approval of the shareholders of the Company if applicable as per requirements of Companies Act or rules made there under modified from time to time.
- b) The remuneration and commission to be paid to the Managing Director / Whole-time Director shall be in accordance with provisions of the Companies Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board.
- d) Where any insurance is taken by the Company on behalf of its Managing Director / Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

The Committee shall determine overall remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to the following:

- The level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance shall be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
 - _ Responsibilities and duties;
 - _ Time & efforts devoted;
 - _ Value addition;
 - _ Profitability of the Company & growth of its business;
 - _ Analyzing each and every position and skills for fixing the remuneration yardstick
 - _ adherence to statutory requirements

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Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be decided by Board from time to time.

Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP

Nomination & Remuneration committee shall have at least 5 (five) members comprising 3 (three) Independent Directors on the Board, 1 (one) Schroders Director and 1 (one) Bank Director.

As per the revised composition agreed in the board meeting held on September 27, 2019, no one from Axis Bank will be member of Nomination and Remuneration Committee

Minimum three (3) members shall constitute a quorum for the Committee meeting. Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRPERSON

- Chairperson of the Committee shall be an Independent Director. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

VOTING

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.

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- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board.
- Professional indemnity and liability insurance for Directors and senior management.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Head HR of the AMC shall support the committee by preparing and maintaining the minutes and carrying out other supporting roles for the committee.

DEVIATIONS FROM THIS POLICY

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Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

Process to be followed

The Company would endeavor to impart appropriate induction to new members on the board by way of arranging meetings, training programmes etc. through physical meeting or through the facility of audio/video conferencing for effective participation of the board members.