ANGEL ONE ASSET MANAGEMENT COMPANY LIMITED

NOMINATION AND REMUNERATION POLICY

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NOMINATION AND REMUNERATION POLICY

I. INTRODUCTION

This Nomination and Remuneration Policy ("**Policy**") is being formulated by the Nomination and Remuneration Committee ("**NRC**" or the "**Committee**") of the Board of Directors of Angel One Asset Management Company Limited ("**AMC**" or "**Company**") in compliance with section 178 of the Companies Act, 2013 read along with the applicable rules thereto, as amended from time to time. This Policy on nomination and remuneration of directors, Key Managerial Personnel and Senior Management as formulated by the NRC has also been approved by the Board of Directors of the Company.

II. DEFINITIONS

"**Act**" means the Companies Act, 2013 and rules framed thereunder, as amended from time to time;

"**Directors**" means the directors of the Company;

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

"**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;
(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
(vi) such other officer as may be prescribed.

"**Senior Management**" means the personnel of the Company who are members of its core management team excluding the Board of Directors. This would include all members of management one level below the executive Directors, including all functional heads.

III. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has in its meeting held on January 09, 2024 constituted the Nomination and Remuneration Committee ("**NRC**" or "**Committee**") pursuant to section 178 of the Act. The broad contours of the NRC are given below :

(a) Membership :

(i) The NRC of AMC shall have minimum three directors as members, with majority as independent directors.
(ii) The members of the NRC will be appointed by the Board of Directors of AMC.
(iii) Membership of the NRC shall be disclosed in the Annual Report of the Company.

(b) Meetings :

(i) Meetings of the NRC shall be held at such regular intervals as may be required.
(ii) The quorum for the meeting shall be a minimum of two directors of which at least one shall be an independent director. The CEO of the Company (by whatever name called) will be a permanent invitee.
(iii) The members of the NRC shall appoint the Chairperson of the meeting.

(c) Scope :

(i) To guide the Board in relation to the appointment and removal of directors, key managerial personnel and senior management.
(ii) To 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.
(iii) To formulate the criteria for evaluation of independent Directors and the Board.
(iv) 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.
(v) To perform such other functions as may be necessary or appropriate for the performance of its duties.

(d) Minutes of meetings :

(i) Proceedings of all meetings of the NRC must be recorded as minutes and signed by the Chairman of the NRC at the subsequent meeting.
(ii) Minutes of the meetings of the NRC will be tabled at the subsequent meetings of the Board and NRC.

IV. OBJECTIVES OF THE POLICY

The Policy is framed to achieve the following objectives :

a) 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.
b) That the relationship of Remuneration to performance is clear and meets appropriate performance benchmarks;
c) That the Remuneration to Directors, Key Managerial Personnel, Senior Management and other employees of the Company 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;
d) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (executive and non-executive) and persons who may be appointed as Senior Management / Key Managerial Personnel and to determine their Remuneration;
e) To determine Remuneration based on the Company's size and financial position and trends and practices on Remuneration prevailing in peer companies, in the industry;
f) To carry out evaluation of the performance of Directors, Key Managerial Personnel and Senior Management and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's organizations; and
g) To retain, motivate and promote talent and to ensure long term sustainability of talented employees and create competitive advantage .

V. CRITERIA FOR APPOINTMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Appointment :

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Person or Senior Management and recommend his / her appointment, as per the 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 managing Director / whole-time Director / manager who is below the age of twenty-one years or has attained the age of seventy years.

   Provided that appointment of a person who has attained the age of seventy years may be made with the prior approval of the shareholders of the Company by passing a special resolution providing justification for appointing such person, and after complying with the prescribed regulatory requirements.

d) Independent Directors shall meet the requirements of the Act read with the applicable rules made thereunder, as amended from time to time.

e) The person proposed to be appointed as Director should fit the criteria prescribed by SEBI vide its circulars / guidelines, etc., as amended from time to time.

f) The appointment of a Director will be subject to the approval of the Trustee Company and compliance with the requirements prescribed by SEBI for mutual funds from time to time.

Term / Tenure for appointment of Directors :

The tenure of the Director / independent Director will be in line with the Act, SEBI (Mutual Funds) Regulations, 1996 as amended from time to time & Articles of Association of the Company and other applicable regulations, if any.

a) Managing Director/Whole-time Director:
   The Company shall appoint or re-appoint any person as its managing Director / whole-time 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 the 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 of the Company.

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.

VI. POLICY FOR REMUNERATION TO DIRECTORS/KEY MANAGERIAL PERSONNEL/SENIOR MANAGEMENT

1) <u>Remuneration to Managing Director / Whole-time Directors:</u>

a) The Remuneration/commission etc. to be paid to the 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 approvals obtained from the members of the Company, wherever applicable.

b) The NRC shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to the Remuneration to managing Director / whole-time Directors.

2) <u>Remuneration to Non-Executive / Independent Directors:</u>

a) The non-executive/independent Directors may receive sitting fees 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 NRC 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 NRC and approved by the Board of Directors or members of the Company, 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/sponsor company.

3) <u>Remuneration to Key Managerial Personnel and Senior Management:</u>

a) The Remuneration to Key Managerial Personnel and Senior Management shall be in compliance with the provisions of the Act and in accordance with the Company's policy.

b) The pay shall be decided based on the balance between the 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.

Where any insurance is taken by the Company on behalf of its Directors / managing Director, whole time Director, Key Managerial Personnel and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the Remuneration.

VII. EVALUATION

The Committee shall carry out an evaluation of performance of Key Managerial Personnel and Senior Management, annually or at such intervals as may be considered necessary.

The Committee shall determine the manner for evaluation of performance of the Board, committees of the Board and Directors on an annual basis to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance. The Committee may also seek the support and guidance of external experts and agencies for this purpose.

VIII. REMOVAL

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

IX. RETIREMENT

The Director, Key Managerial Personnel and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Key Managerial Personnel and Senior Management may be retained in the same position/Remuneration or otherwise even after attaining the retirement age, for the benefit of the Company in accordance with the prevailing policy of the Company.

X. REVIEW

The Committee or Board will review this Policy at least once every year and make revisions as may be required from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.