



**POLICY FOR ALIGNMENT OF INTEREST  
OF KEY EMPLOYEES OF  
AWT INVESTMENTS LIMITED**



AWT Investments Limited	<b>Doc:</b> AWTIL/CS/SOP/014
Alignment of Interest Policy	<b>Revision No:</b> Nil
	<b>Date:</b> October 2023

## **Purpose**

The objective of this policy is to develop fair, transparent and sound compensation framework that is aligned with risks and responsibilities of mutual fund management. Through implementation of this policy, the company intends to make senior management more accountable for their governance, performance determination and payment of compensation. The primary goal of this Policy is to establish an equitable and well-structured compensation system that accentuates accountability and encourages sustainable growth.

This Policy outlines a compensation framework strategically tailored to align the interests of key employees of AWT Investments Limited (“AWTIL” or “the Company” or “AMC”), as defined in the Regulations 60A of the revised Non-Banking Finance Companies and Notified Entities Regulations, 2008 (“NBFC Regulations”), with those of the unit holders of the Collective Investment Schemes managed by the AMC, enduring prosperity, principled performance, and ethical practices. This Policy shall comply with all applicable laws, regulations, and corporate governance best practices.

## **Scope**

This Policy applies to following employees who hold the roles of Key Employees.

- Chief Executive Officer
- Head of Fixed Income
- Head of Equity

## **Variable Remuneration Strategy for Key Employees:**

### **Bonus Withholding and Lock-In Provision:**

- a. For the purpose of this Policy, a portion of the bonus, equal to 5% of the total bonus amount, shall be subject to lock-in provision.
- b. The Withheld Bonus shall be held by the Company in the form of units of Mutual Fund schemes for a lock-in period of one year from the date of disbursement.
- c. During the lock-in period, key employees will not have access to the Withheld Bonus.

### **Payment in CIS Units:**

- a. At the end of the one-year lock-in period, the withheld bonus shall be unblocked to key employees.
- b. The eligible employees may redeem the allocated units prior to expiry of lock-in period only in case of retirement.
- c. Withheld bonus will be forfeited in case of dismissal from service on grounds of fraud, theft, misappropriation, mis-selling, deceptive conduct or breach of code of conduct. Process for determining fraud, theft, misappropriation, mis-selling or deceptive conduct, breach of code of conduct will be handled in accordance with the company’s disciplinary action policy and code of conduct. The Withheld Bonus will be unblocked after the completion of one-year lock-in period only if staff is not involved in any fraud, theft, misappropriation, mis-selling, deceptive conduct or breach of code of conduct.
- d. If staff resigns during the lock in period, withheld bonus will be unblocked after the



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completion of one-year lock-in period, only if there is no involvement in fraudulent activities, Engaging in theft, Misappropriation, Mis-selling, Deceptive Conduct or Breach of Code of Conduct.

- e. Manner and handling of performance bonus units will be dealt in accordance with the Company's criteria as determined from time to time.

**Guidelines, Mechanism and Management of withheld amount:**

- The deferred benefit will be Invested in Funds managed by AWTIL. A separate folio will be opened for every covered individual covered under this policy which will be blocked.
- The management and oversight of the policy will be the responsibility of the Compliance Department with the assistance of HR.

**Disclosure and Communication:**

- The Company in pursuant to the provisions of applicable laws and regulations if required, shall disclose such bonus paid to the key employees.
- Audit trail and record will be maintained to verify compliance with applicable requirements.
- AWT Investments Limited will publish the key elements of the formulated policy along with summary of any exemption to the policy on its website and annual report.

**Review and Amendment:**

The Board HR Committee shall oversee the implementation of this Policy and may periodically review and if necessary, amend the Policy to ensure its continued effectiveness and alignment with the Company's goals.

**Applicability:**

The provisions of this Policy shall be applicable with effect from July 01, 2023