POLICY ON APPOINTMENT OF STATUTORY AUDITORS OF THE BANK

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Version Control

Version	Policy Owner Department	Details of Board Sub-committee / HOD approval		Details of Board / Committee approval	
		Sub-committee/HOD	Date of approval	Board/Committee	Date of approval
1.0	Finance & Accounts	Audit Committee	20.3.24	Board of Directors	24.4.24
2.0	Finance & Accounts	Audit Committee	17.3.25	Board of Directors	24.4.25
3.0	Finance & Accounts	Audit Committee	18.3.26	Board of Directors	25.4.26
4.0	Finance & Accounts	Audit Committee	16.10.26	Board of Directors	17.10.26

1. Preamble/ Introduction

The policy is prepared in accordance with the RBI Direction which lays down the guidelines for appointment of Statutory Auditors (SAs) of the Bank.

2. Important definitions

Term	Definition
Audit Committee	"Audit Committee" means the Audit Committee of the Board.
Board	"Board" means the Board of Directors of the Bank.
MD & CEO	"MD & CEO" means the Managing Director and Chief Executive Officer of the Bank.
CFO	"CFO" means the Chief Financial Officer of the Bank.
RFP (Request for Proposal) document	"RFP (Request for Proposal) document" means documents floated to invite expression of interest for the position of the Statutory Central Auditors of the Bank.
Statutory Auditors (SAs)	"Statutory Auditors (SAs)" means the auditors appointed as per the policy with the approval of Reserve Bank of India and Shareholders of the Bank to undertake the Audit of the Corporate Office and all branch offices of the Bank.

3. Objective

The objective of this policy is two fold - to establish proper procedure for appointment of Statutory Auditors and to conform with the extant norms of Reserve Bank of India, and applicable provisions of Banking Regulation Act,1949; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

4. References to Regulations

1) RBI Direction - RBI/DoS/2026-27/414 DoS.CO.ARG.8/08.91.001/2026-27 dated 31st July, 2026 (as amended from time to time).
2) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

5. Applicability

The policy document is applicable to Finance & Accounts departments of the Bank.

6. Communication of the Policy

This policy will be available on Bank's website (https://www.axis.bank.in/docs/default-source/quarterly-reports/policy-on-appointment-of-statutory-central-auditors.pdf)

7. Details of the Policy

ELIGIBILITY NORMS FOR SAS

a) Eligibility norms per RBI (Commercial Banks – Statutory Audit) Directions, 2026 (as amended from time to time)

i. Minimum 5 full time partners (FTPs) associated with the firm for a period of at least 3 years. Of the FTPs, minimum 4 should be Fellow Chartered Accountant (FCA) associated with the firm for a period of at least 3 years. There should be at least 2 FTP/paid CA with CISA/IA qualification.

ii. At least two partners of the firm shall have continuous association with the firm for at least 10 years.

iii. The minimum number of professional staff (excluding typists, stenographers, computer operators, secretary/ies and sub-ordinate staff etc.), consisting of audit and articled clerks with the knowledge in book-keeping and accountancy and are engaged in outdoor audit should be 18.

iv. The firm should have minimum statutory audit experience of 15 years as Statutory /Branch Auditor of Commercial Banks (excluding RRBs)/ AIFIs.

v. One audit firm will be permitted to take up the statutory audit of maximum of four Commercial Banks, Small Finance Banks, Payment Banks and Local Area Banks [including not more than one PSB or one All India Financial Institution (NABARD, SIDBI, NHB, EXIM Bank) or RBI], eight UCBs and eight NBFCs during a particular year.

vi. In the case of a group of audit firms having common partners, only one firm will be considered for allotment of statutory audit. Accordingly, a group of firms having common partners will be considered as one entity.

vii. The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, Internal assignments, special assignments, etc.) by the SAs for the Bank or any audit/non-audit works for its group entities (RBI Regulated entities in the group) should be at least one year, before or after its effective date of appointment as SAs. However, during the tenure as SA, an audit firm may provide such services which may not normally result in a conflict of interest as permitted under RBI guidelines, and the Bank may take the decision in this regard, in consultation with the Board/ACB.

viii. An Audit firm, subject to it fulfilling the prescribed eligibility norms will be allowed to continue as the SA for the Bank for a period of three years and thereafter the said firm will be compulsorily rested for a period of six years (two tenures). In case an audit firm has conducted audit of any Entity for part-tenure (1 year or 2 years) and then not appointed for remainder tenure, they also would not be eligible for reappointment in the same Entity for six years from completion of part-tenure. Further, the audit firm can be removed with the prior approval of the DoS, RBI. Upon completion of the prescribed tenure of three years of the SA and until appointment of the incoming SAs for the relevant financial year, the outgoing SAs of the Bank may continue for the Limited Review of financial statements for ensuing quarter(s), in accordance with the provisions of RBI Direction and the applicable statutory requirements.

ix. Concurrent auditors of the Bank will not be considered for appointment either as Statutory Auditors or Branch Auditors of the same Bank. In the process of evaluating the independence of the audit firm that is being considered for appointment of the Bank's audit, explicit

consideration will be given if such firm is auditing any entity to which the Bank has a large exposure for the same reference year. It is clarified that this criterion is only for evaluation/ consideration and does not prohibit the Bank from appointing such firm as its auditor.

x. If the Bank is appointing separate branch auditors, then it shall ensure that there are no common partners between the retiring audit firm(s) and proposed audit firm(s). If the retiring and proposed auditors are proprietary concerns, the firm in which any proprietor or both is / are partner(s) should not be considered for audit. Further, the sister concerns or associate firms of rested auditors should also not be proposed for appointment till they complete the rest period.

b) General eligibility norms for Auditors

i. The audit firm, proposed to be appointed as SAs, should be duly qualified for appointment as auditor of a company in terms of Section 141 of the Companies Act, 2013. The Audit firms should have subjected themselves to the peer review process of Institute of Chartered Accountants of India and should hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

ii. The audit firm should not be under debarment by any Government Agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or Other Regulators.

iii. The appointment of SAs to be in line with the ICAI's Code of Ethics/any other such standards adopted and should not give rise to any conflict of interest.

iv. If any partner of a Chartered Accountant firm is a director in any entity, the said firm shall not be appointed as SA of any of the group entities (RBI regulated) of that entity.

v. Shared/Sub-contracted audit by any other/associate audit firm under the same network of audit firms is not permissible. The incoming audit firm shall not be eligible if such audit firm is associated with the outgoing auditor or audit firm under the same network of audit firms.

vi. The auditors should preferably have capability and experience in deploying Computer Assisted Audit Tools and Techniques (CAATTs) and Generalized Audit Software (GAS), commensurate with the degree/ complexity of computer environment of the Entities where the accounting and business data reside in order to achieve audit objectives.

vii. The auditors should preferably have the capability and experience in dealing with both debt and equity capital market issuances (domestic and offshore).

PROCEDURE FOR APPOINTMENT OF SAs

i. The appointment of SAs will be made subject to their fulfilling the eligibility norms prescribed by RBI and applicable provisions of Companies Act, 2013, and post evaluation as per Bank's internal framework.

ii. Post screening of applications received, the shortlisted proposed names of SAs will be recommended to ACB and Board of the Bank for approval. A minimum of 2 audit firms for every vacancy of SAs will be shortlisted so that even if firm at first preference is found to be ineligible/refuses appointment, the firm at second preference can be appointed.

iii. Once the approval is given by the Board (pursuant to recommendation of the ACB), the Bank will submit the application for appointment of SAs with necessary enclosures to the Reserve Bank of India for approval before 31st July of the reference year and confirming to the effect

that the audit firm proposed to be appointed as SAs comply with all the prescribed eligibility norms. This confirmation will be provided based on back-to-back certifications from the firms that are proposed to be appointed and independent enquiry by the Bank to the extent feasible.

iv. The consent letter/certificate obtained from the SAs should be signed by the main partner/s of the audit firm proposed for appointment under the seal of the said audit firm and shall be dated prior to the date of the application referred in (iii) above.

v. The appointment of the SAs will be subject to the approval of Shareholders at the Annual General Meeting as per Section 139 of the Companies Act 2013. The approval of the shareholders will be sought for an engagement period of 3 years; being the maximum period permissible under the RBI guidelines.

vi. Though the tenure of the SAs will be for 3 years, the appointment will be subject to approval of the Reserve Bank of India each year.

vii. The matters related to fees / remuneration etc. payable to the SAs will be decided by the ACB and approved by the Board of Directors. The approval of the shareholders of the Bank will be obtained authorising the ACB in this regard. The fees shall be reasonable and commensurate with the scope and coverage of audit, size and spread of assets, accounting and administrative units, complexity of transactions, level of computerization, identified risks in financial reporting etc. The fees related to permissible non audit work, including certifications will be decided by the Bank's management and reported to the Audit Committee.

viii. The Bank will appoint minimum two SA's though the Bank can appoint more than 2 SA's subject to cap under the extant regulations on such appointment. In case of reappointment, there would be no requirement of shortlisting and sending names of multiple audit firms to RBI while seeking approval. Sharing of work between joint auditors will be decided once the requisite approvals are received i.e. based on individual firm's capability & expertise. The work allocation will be linked to each side of the Balance Sheet (Assets and Liabilities) and allocation of specific areas, where specialized skill sets are required, like ITGC, Treasury, etc. based on skills & expertise of each firm. The SA's will present an audit plan to the ACB upon completion of formalities of their appointment, setting out respective areas of work and coverage.

PROCESS FOR SELECTION AND APPOINTMENT OF SAs

i. The ACB shall oversee the appointment process of the SAs. The CFO's office shall be vested with the responsibility of preparing and floating RFP, and receiving the proposals from audit firms, analysing and placing recommendatory note to the Audit Committee of the Board for approval. Only when the RFP parameters have to be tweaked and in variation from the Board approved policy, then the same shall be implemented after obtaining ACB approval.

ii. Proposals received from the audit firms, complete in all respects and within the prescribed time as per the RFP floated in this connection, will be scrutinized on the basis of the basic eligibility criteria as given in Para 4 above by the ACB.

iii. The Finance & Accounts team of the Bank in consultation with the CFO shall evaluate the applications received considering various parameters including but not limited to expertise, experience, qualifications, reputation, availability of qualified CAs, sufficient trained personnel with the firm and such other factors as the Bank may deem fit for its requirements.

iv. Post scrutiny of the said applications and concurrence of the MD & CEO, the CFO shall submit summary of the applications received; together with comments/views and final recommendation for consideration to the ACB.

v. Based on recommendations made by the management, the ACB is empowered to decide on the number of SAs to be engaged taking into account the relevant factors such as the size and spread of assets, accounting and administrative units, complexity of transactions, level of computerization, availability of other independent audit inputs, identified risks in financial reporting, etc. The minimum and maximum number of SAs will be in line with the guidelines prescribed by the RBI from time to time.

vi. The final selection of the SAs will be approved by the Board on the recommendation of Audit Committee of the Board.

vii. The Bank also reserves the right to make query with the firm or any other agency, ask for additional information, particulars, and submission of one or more undertakings from any firm, at any point of time. None of such act shall be deemed as an offer of engagement as Auditor by the Bank to the firm unless and until the Bank intimates in writing to the firm regarding appointment as SAs of the Bank.

8. Governance Structure - Roles and Responsibilities of Board of Directors/ Senior Management

i. Audit Committee: The roles and responsibilities of the Audit Committee is to
- provide guidance to the Management on appointment process, if any,
- monitor and assess the independence of the Auditors and conflict of interest position and flag off concern, if any, to the Board of Directors & to SSM, DoS, RBI,
- review the performance of Auditors on an annual basis,
- review the policy document and recommend the same for approval to the Board,
- make recommendation to the Board for fixing the audit fees of the SAs.

ii. Board of Directors: The role and responsibilities of the Board of Directors is to
- review and approve the policy document as recommended by the Audit Committee,
- approve the audit fees of the SAs as recommended by the Audit Committee.

9. Delegation of Powers

NA

10. Reporting / Monitoring requirements

Internal Reporting Requirement - NA

Regulatory Reporting Requirement - NA

Monitoring requirement - NA

11. Disclosure Requirement

The policy is required to be hosted on the Bank's website.

12. Review of the Policy

The Audit Committee will review the policy and recommend the same to the Board annually or earlier as and when it deems necessary. In case there are any regulatory changes requiring modifications to the policy, the policy shall be reviewed and amended at the next possible opportunity. However, the amended regulatory requirements will supersede the policy till such time the policy is suitably amended.

This policy has been reviewed and approved by the Board in its meeting held on 17.10.2026.

13. Annexures - Nil