

# ASCOM LEASING & INVESTMENTS LIMITED

## REMUNERATION POLICY

### PREAMBLE

The Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

This Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

### DEFINITIONS:

- **"Board"**: Board means Board of Directors of the Company.
- **"Director"**: Director means Director of the Company appointed in accordance with the Companies Act, 2013.
- **"Committee"**: Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **"Company"**: Company means Apollo Microsystems Limited.
- **"Independent Director"**: Save as provided under the Companies Act, 2013, An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,
  - a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
    - (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
    - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - b) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - c) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

d) who, neither himself nor any of his relatives

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non- profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

e) Who possesses such other qualifications as may be prescribed.

**"Key Managerial Personnel":** Key Managerial Personnel ('KMP') means-

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

**"Senior Management":** The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Applicability:** The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

## Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute/ re-constitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises of following Director:

| Name of Directors                | Category                            | Designation |
|----------------------------------|-------------------------------------|-------------|
| Mr. Pradeep Champaklal Wadiwalal | Non-Executive, Independent Director | Chairman    |
| Mr. Ketanbhai Dhanjibhai Lakhani | Non-Executive, Independent Director | Member      |
| Mrs. Jayshriben Rajendra Pathak  | Non-Executive Director              | Member      |

## GUIDING PRINCIPLE

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. The following are the guiding principles in formulating the remuneration policy:

- To ensure that 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 should 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.
  - Standards for certain functions where there is a scarcity of qualified resources.
  - Ensuring tax efficient remuneration structures.
  - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
  - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.

- Whenever, there is any deviation from the Policy, the justification / reasons should also be indicated / disclosed adequately.
- Industry practices and cost of living are also taken into consideration.

## **DIRECTORS**

As per the Policy followed by the Company since inception the Non-Executive Directors including Independent Directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions.

Remuneration of Whole Time Directors including Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Whole Time Directors, the Nomination & Remuneration Committee considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The Nomination & Remuneration Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The Nomination & Remuneration Committee while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Nomination & Remuneration Committee considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act from time to time.

## **REWARD PRINCIPLES AND OBJECTIVES**

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

## **REWARD POLICIES**

Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly.

The Whole Time Directors' remuneration comprises of salary, perquisites and performance based commission/ reward apart from retirement benefits like P.F., Superannuation, Gratuity, etc as per Rules of the Company.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

The Whole Time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment provide for severance payments as per the Companies Act.

## **KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Appointment of Key Managerial Personnel & senior management and cessation of their service are subject to the approval of the Nomination and Remuneration Committee and the Board of Directors. Remuneration of Key Managerial Personnel and other senior management personnel is decided by the Managing Director or such other Executive Director who is responsible for appointment of such Key Managerial and other Senior Management Personnel, broadly based on the Remuneration Policy in respect of Whole Time Directors. Total remuneration comprises of:

1. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites** - in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone expenses, leave travel, etc.
3. **Retirement benefits** - contribution to PF, superannuation, gratuity, etc... as per Company Rules.
4. **Motivation /Reward** - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by Managing Director or such other Executive Director who is responsible for appointment of such Key Managerial and other Senior Management Personnel.
5. **Severance payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

## **OTHER EMPLOYEES**

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policies of motivation/ reward/ severance payments are applicable to this category of personnel as in the case of those in the management cadre.

## **EMPLOYEE STOCK OPTIONS:**

In addition to the above the Directors (including whole-time and non-executive Directors), Key Managerial Personnel, Other Senior Managerial Personnel and other employees are

eligible to receive the stock options, subject to the provisions of applicable laws and regulations.

#### **DISCLOSURE OF INFORMATION**

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

#### **APPLICATION OF THE REMUNERATION POLICY**

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

Any departure from the policy can be undertaken only with the approval of the Board of Directors.

#### **DEVIATIONS FROM THIS POLICY**

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.

#### **REVIEW OF THIS POLICY**

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy.

#### **DISSEMINATION**

The Company's Remuneration Policy shall be published on its website.