



ASM Technologies Limited

Nomination and Remuneration Policy

1. Title

This Policy will be called “Nomination and Remuneration Policy”

2. Introduction

Pursuant to Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the Board of Directors of every listed Company and such other class or classes of companies, as may be prescribed, shall constitute the “Nomination and Remuneration Committee”. In order to align with the provisions of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, the Board of Directors have changed the nomenclature of the “Remuneration Committee” as “Nomination and Remuneration Committee”. The “Nomination and Remuneration Committee” has formulated the “Nomination and Remuneration policy” which has also been approved by the Board of Directors of the Company.

The “Nomination and Remuneration Committee” and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and revised Clause 49 of the Listing Agreement.

3. Objective

The objective of this policy is to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management personnel. The Key objective of the committee would be:

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.

4. Applicability and Commencement

This policy is applicable to Directors, Key Managerial Personnel and Senior Management. This policy will be effective from 28th March 2015.

5. Definitions

- **Board** means the Board of Directors of the Company.
- **Company** means ASM TECHNOLOGIES LIMITED.

- **Director** means Directors of the Company.
- **Policy** means “Nomination and Remuneration policy” as amended from time to time.
- **Committee** means “Nomination and Remuneration Committee”.

Key Managerial Personnel means

- Managing Director
- Chief Financial Officer
- Company Secretary
- such other officer as may be prescribed

Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors, comprising all members of the management one level below the Executive Directors including Functional Heads.

Managing Director means a Director who is in the whole time employment of the Company and includes a Whole time Director.

Nomination & Remuneration Committee means the Committee of the Board constituted as such under the provisions of section 178 of the Companies Act, 2013 and as per the revised Clause 49 of the Listing Agreement.

Non-Executive Director means a Director who is not in the whole time employment of the Company and includes an Independent Director.

Independent Director means a Director referred to in section 149 of the Companies Act, 2013 and as per the revised Clause 49 of the Listing Agreement.

6. Role and Duties of the Committee

The Role and Duties of the committee inter alia will be as follows:

- To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
- To formulate a criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board the Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Formulate criteria for evaluation of the Independent Directors and the Board.
- To carry out evaluation of every Director’s performance.
- Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

7. Membership / Constitution of the Committee

- The Committee shall comprise of at least three (3) Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent. The Committee comprises of the following Independent Directors:

Mr. Shekar Viswanathan ; Chairman
 Prof. B.S.Sonde
 Mr. M.R.Vikram

- The Chairman of the Committee shall be an Independent Director.
- The Chairperson of the Company (whether executive or non-executive) may be appointed as a Member of the Committee but shall not Chair the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as the Chairman.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, Listing Agreement and any other applicable statutory requirement.

8.Quorum

Minimum two (2) Directors will constitute a quorum for the Committee meeting.

9. Frequency of Meetings

The meeting of the Committee shall be held at least once in a year.

10. Appointment and Removal of Directors, Key Managerial Personnel and Senior Management

10.1 Appointment Criteria and Qualifications:

- The person should possess adequate qualification, expertise, skills and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- Before appointment, the Company shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel and Senior Management Personnel.
- The Committee shall approve the remuneration as well as the appointment, made by the HR Department/ Company of the Senior Management personnel and put forward it the Board. The same shall be done after considering the integrity, qualification, expertise and experience of the person appointed.

- The Committee may call and seek the help of the head of HR Department or any other Company Official including the recommender or a Key Managerial Personnel while approving the appointment.

10.2 Term / Tenure

a) Managing Director/Whole-time Director/Executive Director/Manager:

- The Company shall appoint or re-appoint any person as its Managing Director, Executive Chairman or Executive Director or Whole Time Director for a term not exceeding three years at a time or as applicable by the respective provisions of the Companies Act 2013. No re-appointment shall be made earlier than one year before the expiry of term.
- The Company shall not appoint or continue the employment of any person as Managing Director/ Executive Chairman/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

b) 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.
- 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.
- At the time of appointment of an independent Director, it should be ensured that the 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 in any Listed company.

c) Key Managerial Personnel and Senior Management:

- A whole-time KMP of the Company cannot hold the office in any other company except in its subsidiary at the same time. However a Managing Director of the Company can hold office in one another company provided such appointment is approved by a resolution passed at a meeting of the Board of Directors with the consent of all the Directors present at the meeting and of which meeting and of all the resolutions to be moved thereat, specific notice has been given to all the Directors there in India.
- The tenure and terms of appointment of Key Managerial Personnel and Senior Management will be as per the prevailing HR policy of the Company or as per the applicable provisions of the Companies Act 2013.

10.3 Evaluation

- The Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

10.4 Removal

- Due to reasons for any disqualification/misconduct/fraud mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

10.5 Retirement

- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act 2013 and in accordance with the applicable policy of the Company .

11. Remuneration of Directors, key Managerial Personnel and Senior Management

a) Remuneration to Managing Director/Whole-time Director/Executive Director/Manager:

- The Remuneration/ Compensation/ Commission etc. to be paid to Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

b) Remuneration to Non- Executive / Independent Director:

- The Non-Executive Independent Director may receive remuneration / compensation /commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

c) Remuneration to Key Managerial Personnel and Senior Management:

- The Remuneration/Compensation /Commission payable to the Key Managerial Personnel and Senior Management shall be as per the prevailing HR policy of the Company or as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

- d) For continual long term engagement and to enhance their standard of living of KMP and Senior Management Personnel where the Committee extends benefits/welfare facilities such as group mediclaim insurance policy or indemnify them against liability, premium paid on such insurance shall not be treated as part of the remuneration payable of such personnel.

12. Review and Amendments

- The Committee or the Board may review the policy as and when it deems necessary.
- The Board of Directors or the Committee or the Company Secretary shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with new provisions or replace this Policy entirely with a new Policy.