

## **ADC INDIA COMMUNICATIONS LIMITED EXECUTIVE COMPENSATION POLICY GUIDELINES**

These policy guidelines describe the executive compensation for ADC India Communications Limited. The term executive compensation includes all aspects of employee's monetary and non-monetary elements and applies to the KMP and MD of the company. These guidelines should be reviewed periodically depending on the business need.

### **High level guidelines:**

- The total spend towards compensation and benefits will be managed in such a way that company's financial well-being is protected.
- Overall total remuneration (compensation and benefits) will be competitive with the market and will be around the market median.
- In general, our programs would be broad-based with flexibility within the guidelines to allow for more aggressive positioning to attract and retain critical talent.

### **Performance linked pay:**

1. The company will follow a robust performance measurement system with clearly laid out goals. This will help to differentiate reward based on the level of employee performance.
2. The company will follow the principle of 'pay for performance'. This will result in variable pay linked to performance as well as merit increases linked to performance.
3. Differentiation - High performers are recognized and rewarded to ensure they are engaged and motivated. The company will maintain sharp difference between the reward for normal and high performance.

### **Compensation:**

The Compensation includes base/fixed salaries (Annual Guaranteed Cash) and other fixed payments against the defined comparator group.

Top performers and critical talent in pivotal roles will have salaries that are targeted at a higher percentile keeping in view our philosophy reward high performing talent effectively.

### **Benefits:**

We strive to attract and retain talent, benefits would continue to be a meaningful part of overall reward program. We aim to keep the level of benefits offered to employees to be on par with the similar industries in the market – which means our benefits will be at the market median level.

### **Variable pay / Incentives:**

Variable pay also plays a role in employees' overall compensation opportunity at certain levels of the organization and is an important tool to drive performance and results. It is intended to reinforce the focus on performance and to recognize and reward individuals for the achievement of results.

Variable pay at target should be at median, with an above median opportunity for outstanding performance. This will have strong linkage to business and individual performance.

**Recognition:**

Employees are recognized in various forms, ranging from informal spot awards to formal and more structured awards (quarterly and annual awards). This will help to recognize and celebrate individual or team achievements. The company has employee recognition plan in place.

**Policy Review:**

This policy will be reviewed by the Board of Directors from time to time to ensure that it stays current, relevant and supports the business objectives. The Nomination and Remuneration Committee of the board will be the body to interpret the policy and to suggest appropriate changes to the policy.

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