ASM Technologies Limited

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1.Corporate Social Responsibility Philosophy

Social and environmental responsibility has always been at the forefront of ASM`s operating philosophy and as a result has been contributing to such socially responsible activities. For ASM Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. We believe that to succeed an organization must maintain highest standards of corporate behavior towards its employees consumers and society in which it operates.

2.Objectives of the Policy

The **objectives** of this policy are to –

- Demonstrate commitment to the common good through responsible business practices and good governance.
- Engender a sense of empathy and equity among employees of ASM to motivate them to give back to the society.

The Board of Directors (hereinafter referred to as 'the Board') of ASM (hereinafter referred to as 'Company') has decided to adopt its CSR policy that will comply with the objectives and requirements set both in section 135 of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the Rules notified there under.

3. CSR Projects

ASM , as a responsible Corporate has been fulfilling its Social responsibility of contributing to social causes such as feeding the school going children, distributing books and stationery for the under privileged children who are attending schools, through charitable trusts, promoting education etc. As a responsible business, ASM takes pride in being socially inclined and focuses on sustained and effective CSR projects. The two core areas that the company supports are Education and Health. Education is the tool for creating an empowered, enlightened society capable of rising to its full potential. Availability of Quality Education for all classes is the way to ensure an equitable and just social system Within this broad theme specific areas such as school education, education for employment, and higher education are included. Persons with disability and Women's Empowerment are cross cutting themes in these focus areas. The interventions in these thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged, and vulnerable and marginalized population. The company also lays emphasis on employee volunteering in all its CSR efforts.

Company in the initial phase will focus on the following areas for CSR projects from amongst the activities specified under Schedule VII of the Companies Act, 2013 and the Rules made thereunder:

a. Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
b. Promoting education , including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes ; day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups,
d. Ensuring environmental sustainability , ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil,air and water;
e. Protection of national heritage , art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries, promotion and development of traditional arts and handicrafts;
f. Measures for the benefit of armed forces veterans, war widows and their dependents;
g. Training to promote rural, nationally recognized, paraolympic or Olympic sports;
h. Contribution to the prime minister's national relief fund or any other fund set up by the Central Government for socio economic development and relief and welfare of SC, ST, OBCs, minorities and women;
i. Contributions or funds provided to technology incubators located within academic institutions approved by the Central Government ;
j. Rural development projects.

CSR committee may recommend to the Board of Directors additional CSR initiatives, based on specific merit, provided that these projects fall under the scope of schedule VII of the Companies Act, 2013, as may be amended from time to time.

4.Applicability

- The CSR Policy shall apply to all CSR projects undertaken by the Company in India as per Schedule VII of the Act.
- The CSR Policy shall be applicable to the Company including all its subsidiaries (wherever applicable), and all their employees.
- The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the 2013 Act.
- Contribution to any political party is not considered to be a CSR activity and only ctivities in India would be considered for computing CSR expenditure
- Profits from any overseas branch of the company, including those branches that are operated as a separate company would not be included in the computation of net profits of a company.

- Besides, dividends received from other companies in India which need to comply with the CSR obligations would not be included in the computation of net profits of a company.

5. Responsibility of the Board of Directors

The Board is responsible for:
•approving the CSR policy as formulated by the CSR Committee, subject to necessary changes /modifications as the Board may deem fit.
• ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation excluding profits arising from overseas branches made during the three immediate preceding financial years in accordance with the provisions of section 135 of the Act and the Rules notified there under.
• ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively.
•disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website. Any other acts, deeds and things as may be required under law from time to time.

6 .CSR Committee

I. ASM CSR Committee shall include the following Directors:
Prof. B.S.Sonde: Chairman
Mr. M.R.Vikram
Mr. Shekar Viswanathan
Mr. Rabindra Srikantan
Ms. Preeti Rabindra

II. The CSR Committee of the Company is responsible for:
•formulating and recommending to the Board the CSR policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act.
•Recommending to the Board the CSR projects/activities to be undertaken by the Company.
•recommending to the Board the CSR expenditure to be incurred.
•recommending to the Board, modifications to the CSR policy as and when required.
•regularly monitoring the implementation of the CSR policy and reporting to the Board.

7.CSR Budget and utilization

CSR Committee will recommend the annual budgeted expenditure for each project to the Board for its consideration and approval and shall be utilized on approved projects in accordance with the CSR Policy.
The surplus, if any, arising out of the CSR projects or programs or activities will not form part of business profit of the Company.

8. Project identification and selection criteria

•Projects to be undertaken shall be in line with Section 135 read with Schedule VII of the Act and the Rules made thereunder.

•For selection of any project, the scope, vicinity of Company operations / projects, environmental impact, cost, timelines, sustainability, visibility of the Company and other relevant factors needs to be evaluated.

CSR Committee, shall consider various proposals /projects and after due evaluation of the projects and competency, cost, credibility etc. of implementing agency/NGOs, will take the decision regarding the recommendation to be made to the Board.

9. Implementation

The Company's CSR programmes will be identified and implemented according to the Board's approved CSR policy.

The Company will enhance its monitoring and evaluation mechanism so as to ensure every programme has:

i. clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and time lines.
ii. A robust progress monitoring system.
iii. Impact assessments.
iv. A reporting framework and system in alignment with the Act and Rules.

ASM shall implement its CSR activities as approved by the CSR Committee that will be ultimately responsible for the CSR projects undertaken. The Committee will report to the Board of Directors.

10 . Monitoring and Reporting Framework

Company's CSR Committee shall monitor the implementation of the CSR Policy.. The annual budget and list of CSR projects, and activities shall be presented to the CSR Committee for its approval. The CSR Committee will in turn recommend this to the Board for its final approval.

11.Effective Date:

This policy is effective from 29th July, 2014.

12. Conclusion:

The Board will review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.