

AJM GROUP

Report – Compensation & Working Hours

Compensation at the AJM Group

One of the key responsibilities of a company is to provide a rewarding, safe and healthy working environment for its employees. At the AJM Group, we take this responsibility very seriously.

We understand that attracting, motivating and retaining the best talent is critical for us to achieve long-term success and we strive to implement transparent policies and processes for the benefit of all our employees.

Compensation policies are aligned to the business strategy, market dynamics and internal characteristics of the AJM Group. The ultimate objective is to provide all employees with a fair structure that sustains motivation and enables management to retain and acquire a talent pool critical to building competitive advantage and brand equity for the group.

What are Compensation Policies?

Compensation Policies are the collection of rules that govern the calculation of salary and benefit entitlements of all individuals employed by the AJM Group.

The compensation system takes into account factors such as:

- Job role/title
- Skills/competencies
- Experience
- Grade /seniority
- Market trends



This enables the AJM Group to differentiate pay appropriately on the basis of contribution, skill and availability of talent.

For Employees: Know Your Rights

The Constitution of India has enlisted certain rules and regulations that all employers must guarantee to everyone in their employ. The AJM Group is committed to complying with all central and state government labor laws including working hours, leave and compensation.

It is important for all employees to be aware of their rights under the law.

Here are a few key points to note:

- India's minimum wage laws vary by state and sector
- **The Wages Act** stipulates all companies with fewer than 1,000 employees should pay wages every month before the 7th
- Employees also get paid time off including 8 paid public holidays – these may vary by state, religion and local custom
- The statutory minimum for paid vacation leave is 15 days
- The work week mandated by the Indian government is 48 hours with a workday of eight hours
- Any hours over this may be subject to overtime compensation
- Female employees receive a guaranteed maternity leave of 26 weeks
- **The Employees' Pension Fund (EPF)** scheme is mandatory for a salary below ₹15,000 and voluntary thereafter

Corporate Pledge

We shall abide by all regulations on compensation and working hours.

Working Hours

- Each factory has several shifts. These are clearly mentioned at the entrance of each factory



- All overtime will be compensated
- The working week consists of 6 days
- Sunday is our weekly office holiday

Paid Leave and Time Off

- Employees are guaranteed the 8 public holidays as paid vacation every year.
- Any additional paid leave required will be approved by Management - there is no current maximum limit on the number of leaves you can take.
- 26 weeks of maternity leave is available to women for the first two children and 12 weeks subsequently. This leave can be taken 8 weeks before the due date and broken up according to the women's need thereafter.

Employee Benefits and Salaries

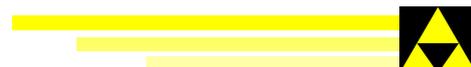
All employees receive insurance, pension and gratuities as additional benefits apart from monthly salaries, in accordance with national and state labor laws.

Gratuities

The AJM Group offers Gratuity Payments in accordance with the law (more may be approved by the AJM Group). The amount is determined by the years of service of the employee. Employees are eligible for gratuities in the following cases:

- Retirement
- Resignation
- Disablement due to accident or illness
- Death of the employee (gratuity paid to employee's nominees)

If an employee is dismissed for proven criminal or moral reasons, no gratuity is owed to them.



Employees' State Insurance Corporation of India (ESI)

The **Employees' state Insurance Corporation of India** provides socio-economic protection to workers and their immediate dependents. Besides full medical care for self and dependents, insured persons are also entitled to a variety of case benefits in times of physical distress due to sickness, temporary or permanent disablement that results in loss of earning capacity.

All AJM Group employees are covered under the ESI and will receive full benefits in case of such occurrences.

Employees' Provident Fund (EPF)

Employee's are also covered under the EPF Scheme. As required by law, the AJM Group pays a portion of the pension that is stored in your pension account and can be withdrawn after retirement or during special circumstances outlined in the [Pension Fund guidelines](#).

Adherence to Compensation and Working Hours

In order to ensure fair compensation and working hours compliance managers and employees have certain responsibilities.

Managers

It is the responsibility of Managers to:

- Ensure that their employees are aware of the Compensation Policies that affect their salary and benefit entitlement.
- Ensure that their team complies with working hours and paid leave regulations.
- Notify Management or the Board as soon as possible in case there is a salary and benefit inconsistency.

Employees

It is the responsibility of Employees to:



- Be aware of the policies that affect their salary and benefit entitlement.
- Report any discrepancy in their salary and benefits to their manager or the HR Department.
- Do not discuss or reveal their salaries and benefits package to colleagues as this constitutes confidential information and may violate the AJM Group's confidentiality policy.

Compensation Governance

Management and the Board of Directors will actively oversee the compensation system of the AJM Group. Together with the Human Resources Department, they will monitor and review the system to ensure it operates as intended and is consistent with AJM Group principles.

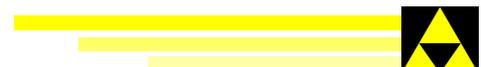
Intent

The Management and Board shall endeavor to ensure that compensation structure meets the following objectives:

1. Fair Compensation that reflects:
 - a. Role complexity and organization size
 - b. Individual skill
 - c. Competence
 - d. Experience
 - e. Market trends
2. Sufficient contribution towards post-retirement benefits and gratuities
3. Tax Efficiency
4. Complies with all statutory obligations

AJM Group Business Ethics Policy: Section Related to Compensation and Working Hours

We regard our employees as assets to our company, and will therefore ensure their health, safety, and welfare as stipulated by labor laws. We will maintain records of our compliance with labor laws.



Key Takeaways

Employees and Management both have responsibilities to ensure fair compensation.

Employees are entitled to 8 days paid leave, vacation time and gratuities including insurance and pension.

It is the responsibility of employees to know their rights and claim them.

Maternity leave has been extended to 26 weeks and mandated paternity leave is currently being considered by the government.

