



## **NOMINATION AND REMUNERATION POLICY**

The Board of Directors of Amber Enterprises India Limited (“the Company”) constituted the “Nomination and Remuneration Committee” at their Meeting held on 20th September, 2017 with immediate effect, consisting of three (3) Non-Executive Directors of which majority are Independent Directors.

### **I. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 and the Rules made thereunder.

The Key Objectives of the Committee would be :

- i. To guide / recommend to the Board appointment and removal of Directors, KMP and Senior Management of the Company.
- ii. To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel (KMP) and Senior Management.
- iii. To evaluate the performance of every member of the Board / KMP / member of Senior Management and provide necessary report to the Board for their further performance evaluation by the Board.
- iv. To recommend reward(s) payable to the KMP and Senior Management linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- v. To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vi. To do such other acts / deeds as may be prescribed by the Central Government.

### **II. DEFINITIONS**

“**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Committee**” means the Nomination and Remuneration Committee of the Board constituted in accordance with the provisions of section 178 of the Companies Act, 2013 and SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015.

“**Directors**” mean Directors of the Company.

“**Key Managerial Personnel**” (KMP) means



- i. Chief Executive Officer or the Managing Director or the Manager;
- ii. Whole-time director;
- iii. Chief Financial Officer;
- iv. Company Secretary;

“Senior Management” mean personnel of the Company who are members of its core management team being one level below the Board.

### **III. ROLE OF COMMITTEE**

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of independent directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- v. Analysing, monitoring and reviewing various human resource and compensation matters;
- vi. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- vii. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- viii. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- ix. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- x. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including :
  - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- xi. Determine whether to extend or continue the term of appointment of the

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- independent director, on the basis of the report of performance evaluation of independent directors;
- xii. Evaluating the current composition, organization and governance of the Board and its committees as well as determining future requirements and making recommendations to the Board for approval;
  - xiii. Determining on an annual basis, desired qualifications along with the expertise, characteristics and conduct searches for potential Board members with corresponding attributes. Thereafter, evaluation and proposal of nominees for election to the Board. In performing these tasks, the committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates;
  - xiv. Evaluation and recommendation of termination of membership of individual directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
  - xv. Making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel at such level(s);
  - xvi. Reviewing, amending, modifying and approving all other human resources related policies of our Company from time to time;
  - xvii. Reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;
  - xviii. Reviewing and recommending to the Board, matters relating to revision of compensation/ salary and long term wage settlements;
  - xix. Consideration and approval of employee stock option schemes and to administer and supervise the same;
  - xx. Decision on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc;
  - xxi. Periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;
  - xxii. Authorization to obtain advice, reports or opinions from internal or external counsel and expert advisors;
  - xxiii. Ensuring proper induction program for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;
  - xxiv. Developing a succession plan for our Board and senior management and regularly reviewing the plan;
  - xxv. Consideration and determination of the nomination and remuneration policy based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate;
  - xxvi. Ensuring that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working



- of the Company; and
- xxvii. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

**Appointment criteria and qualifications :**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management level and recommend to the Board his / her appointment and while doing so, take note of the following:-
- i. The person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
  - ii. The Company shall not appoint or employ at the same time a managing director and a manager.
  - iii. The Company shall not appoint or continue the employment of any person as Managing Director / Manager / Whole-time Director who is below the age of twenty one years or has attained the age of seventy years.

*Provided that the appointment of a person who has attained the age of seventy years or term of such person holding this position may be extended beyond the age of seventy years with the approval of 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.*

- iv. At the time of appointment of a Director it should be ensured that number of Boards on which such Director serves as a Director, including an alternate directorship, is restricted to twenty companies (including not more than ten public companies).
- v. An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business. vi. Any vacancy in the office of independent director shall be filled by appointment of a new independent director within a period of not more than 180 days: Provided that where the company fulfills the requirement of independent directors in its Board even without filling the vacancy, the requirement of replacement by / appointment of a new independent director within the period of 180 days shall not apply.



**Term / Tenure a) Managing Director / Whole-time Director / Manager:**

**Managing Director/Whole-time Director/Manager :** The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time.

No re-appointment shall be made earlier than one year before the expiry his term.

**Independent Director :**

- i. An Independent Director shall hold office for a term up to five consecutive years 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.
- ii. 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 Independent Director it should be ensured that 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 of a listed company or such other number as may be prescribed under the Act.

**Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act and the rules made thereunder.



## **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel :**

General:

- a. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and the Central Government, if required.
- b. The remuneration and commission to be paid to a Managerial Personnel shall be in accordance with the percentage/slabs/ conditions laid down in the Act.
- c. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director / Managing Director / Manager.
- d. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

## **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

### **a) Fixed pay:**

The Whole-time / Managing Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the



recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board / the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders, wherever required.

**b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Managing Director / Manager in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government, if required.

**Remuneration to Non- Executive / Independent Director**

**a) Commission:**

Commission may be paid on profits within the monetary limit approved by the shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

**b) Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending the meetings of Board or Committee thereof.

*Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.*

*Provided further that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.*

**c) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**d) Reimbursement of expenses:**

An Independent Director may receive reimbursement of expenses for participation in the Board and other meetings of the Company.





Policy relating to the loans / advances to employees of the Company Loans / advances to the employees shall be granted in accordance with their conditions of service and shall be as per the prevailing policy of the Company.

#### **IV. MEMBERSHIP**

- i. The Committee shall consist of a minimum 3 non-executive directors or more, out of which not less than half shall be an Independent Director.
- ii. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- iii. Membership of the Committee shall be disclosed in the Annual Report.
- iv. Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **V. CHAIRPERSON**

- i. The members of the Committee present at the meeting shall choose one amongst them to act as Chairperson, who shall be an independent director.
- ii. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- iii. Chairperson of the Nomination and Remuneration Committee meeting or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the Company.

#### **VI. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

#### **VII. COMMITTEE MEMBERS' INTERESTS**

- i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- ii. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **VIII. VOTING**

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.





#### **IX. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minute, tabled at the subsequent Board and Committee meeting and shall be signed by the Chairman of the Committee within 30 days from the date of conclusion of such meeting.

#### **X. REVIEW / AMENDMENT**

The Board of Directors can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.