



## AMBA AUTO SALES AND SERVICES LIMITED

( Formerly known as Amba Auto Sales and Services Private Limited )

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(Authorised Dealer of Bajaj Auto Limited)

### 1. Preamble

In terms of the provisions of Section 178 of the Companies Act, 2013 ('Act') & rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and upon due recommendation of Nomination & Remuneration Committee ('Committee'), the Board of Directors ('Board') of Amba Auto Sales And Services Limited ('Amba Auto Sales And Services Limited' or 'the Company') have approved and adopted this Policy.

### 2. Objectives

The main objectives of this Policy are as follows:

- a) To formulate 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;
- b) Formulation of criteria for evaluation of Directors;
- c) Devising a policy on Board Diversity
- d) While formulating the remuneration policy, to ensure that-
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- e) Identifying the person who is qualified to become a Director or senior managers in accordance with criteria let down and recommend to the Board their appointment and removal. The Company shall disclose remuneration policy and evaluation criteria in its annual reports.
- f) To have relevant experience of contributions to the deliberations of the Board and Corporate Governance

### 3. SELECTION OF NEW DIRECTORS

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- To have relevant experience in Finance/ Law/ Management/ Sales/Marketing/ Administration/ deliberations of Board/Corporate Governance or the other disciplines related to company's business.
- The capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments; and
- Potential conflicts of interest, and independence.
- He/ she is eligible for appointment/ re-appointment as Director and is not disqualified in terms of Section 164 & other applicable provisions of the Act and SEBI Listing Regulations.
- His/ her total number of directorship in the companies are within the limits prescribed under the Act and SEBI Listing Regulation

#### **4. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTOR**

##### **a) Qualifications of Independent Director:-**

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, operations or other disciplines related and beneficial to the company's business.

##### **b) Positive attributes of Independent Directors:-**

An independent director shall be a person of integrity, who possesses relevant expertise & experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

##### **c) Independence of Independent Directors:-**

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, concerning independence of directors.

#### **5. POLICY ON BOARD DIVERSITY**

The Company recognizes the importance of truly diverse Board in its success and believes that diverse board brings different set of expertise & perspectives. Therefore, while evaluating a person for appointment/ re-appointment as Director or as KMP of the Company, the Company shall consider & evaluate various criteria and shall leverage difference in factors w.r.t. background, knowledge, skills, professional experience, educational, professional, cultural & geographical background, personal accomplishments, nationality, gender, race, ethnicity, age, experience, understanding of the sector(s)& industry(ies) in which Company operates & other disciplines relevant to the Company's business.

The Company should endeavor to have mix of Directors with experience in diverse field's viz. Finance, Law, Management, Sales and Marketing, Technical, Administration, Corporate Governance, factory operations and other discipline related and beneficial to the Company's operations.

#### **6. REMUNERATION POLICY**

##### **a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:**

- to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- to attract and retain skilled executives;

- to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns;
- to ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To ensure any termination benefits are justified and appropriate; and
- To consider professional indemnity and liability insurance for Directors and senior management.

b) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

c) Remuneration to Non-Executive Directors (NED's):

- All NED's including Independent Directors shall be eligible for the following remuneration:
  - i. Sitting fee of Rs. [•] for attending every meeting of the board and committee thereof;
  - ii. Annual Commission of Rs. [•].
- NED's shall not be entitled to any commission on net profit of the Company.

d) Remuneration to Key Managerial Personnel & other employees:

- The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.
- Remuneration to Executive Director/ Key Managerial Personnel and Senior Management will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and may involve a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- While deciding the remuneration package to take into consideration current employment scenario and remuneration package of the industries operating in similar comparable businesses in the geographical area of its operations.

## 7. POLICY REVIEW

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

For Amba Auto Sales and Services Limited

Sd/-  
 Rakesh Kumar Lohia  
 Managing Director  
 DIN: 01884538