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**AMCO INDIA LTD.**

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Manufacturers of PVC Films & Sheetings

## NOMINATION AND REMUNARTION POLICY

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For AMCO INDIA LTD.

*S. Kumar*  
Director



AN ISO 9001 : 2008 COMPANY

## **I. PREAMBLE:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meeting of the Board and its Powers) Rules, 2014 and clause 49 of the Listing Agreement signed by the Company with the Stock Exchanges, the Nomination and Remuneration committee of the Board of the Company has formulated a nomination and remuneration policy to decide the criteria for the appointment and for the remuneration to the Directors, Key Managerial personnel and Senior Executives.

The Policy also aims to attract, motivate and retain manpower in a competitive and global markets scenario.

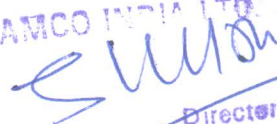
## **II. OBJECTIVES:**

The aims and objectives of this nomination and remuneration policy may be summarized as follows:

- a. The policy aims to enable the company to attract, retain and motivate high quality and high caliber Whole Time Directors, Key Managerial Personnel and Senior executives.
- b. The nomination and remuneration policy ensures that Whole Time Directors, Key Managerial Personnel and Senior executives are sufficiently compensated for their performance.
- c. The nomination and remuneration policy seeks to enable the company to provide a well- balanced and performance-related compensation package, taking into account shareholder interests, industry practices and relevant Indian corporate regulations.
- d. The policy will ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- e. The nomination and remuneration policy will ensure that remuneration to Executives involves a balance between fixed pay and incentive (by way of increment/bonus/ promotion/any other form) reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- f. The Policy seeks to provide criteria for determining qualifications and positive attributes of the employees.
- g. The nomination and remuneration policy aims at identifying the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down herein after.
- h. The policy aims at evaluation of the performance of the Whole time Directors, Key Managerial Personnel and Senior executives.

## **III. DEFINITIONS:**

- a. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. Board means Board of Directors of the Company.
- c. Directors mean Directors of the Company.

FOT AMCO INDIA LTD  
  
Director



- d. Key Managerial Personnel has the same meaning as given under Companies Act, 2013.
- e. Senior Management means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

#### IV. NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted the Nomination and Remuneration Committee (hereinafter referred as "the Committee") in accordance with the provision of Section 178 of the Companies Act, 2013 and listing Agreement. The Committee can be reconstituted from time to time as may be deemed fit and appropriate by the Board of Directors.

The Committee shall, while formulating the policy ensures that:

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Whole time Directors, Key Managerial personnel and Senior executives of the quality required to run the Company efficiently and successfully.
- b. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c. the remuneration to Whole time Directors, Key Managerial Personnel and senior management involves a balance between fixed and variables pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- d. the criteria for determining whether qualification, expertise, positive attributes and experience possessed by a person are sufficient / satisfactory for the concerned position.
- e. the Whole time Directors, Key Managerial Personnel and senior management to be appointed should possess high level of personal and professional ethics, integrity and values and should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
- f. the Directors/KMPs or other personnel's must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively and must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- g. the time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- h. the relationship of remuneration with the performance.
- i. any person(s) who is/ are appointed or continues as KMP's or Independent directors shall comply with the conditions laid under the provisions of the Companies Act, 2013 & Listing Agreement.
- j. the time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.

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

For AMCO INDIA LTD.  
  
Director

**V. PRINCIPLES OF REMUNERATION:**

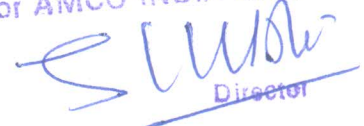
- a. Support for Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's objectives.
- b. Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- c. Internal equity: The Company shall remunerate the Executives in terms of their roles and responsibilities within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- d. External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures.
- e. Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- f. Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration, whether as part of increment or separately and in such form as may be considered appropriate.
- g. Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

**VI. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:**

**A. 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 Central Government, wherever required.
- b. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c. Where any insurance is taken by the Company on behalf of its Whole-time Director, 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.

For AMCO INDIA LTD.

  
Director



**B. Fixed pay:**

The Whole-time Director/ KMPs 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 and Central Government, wherever required.

**C. 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 Director 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.

**D. Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**VII. REMUNERATION TO NON EXECUTIVE/INDEPENDENT DIRECTORS:**

Non Executive directors may be paid remuneration by way of fee and reimbursement of expenses for participation in the Board and other meetings and commission and/or such other payments as may be permitted by the law applicable to such payments. Such payments shall be subject to the provisions of Companies Act, 2013. An Independent Director shall not be entitled to any stock option of the Company.

**VIII. REMOVAL & RESIGNATION:**

- a. 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 said Act, rules and regulations.
- b. 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

For AMCO INDIA LTD

  
Director

Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**IX. COMPENSATION STRUCTURE:**

Executives unless otherwise decided by the Committee shall receive a competitive remuneration package consisting of the following components:

- a. Fixed salary: Fixed salary rewards the executives for their day-to-day job performance and ensures a balanced overall remuneration package. The fixed salary shall comprise of basic salary and allowances as per the rules of the Company.
- b. Personal benefits: Executives may have access to benefits/perquisites as per the rules and regulations of the Company. Executives may also be entitled to retirement benefits such as provident fund, gratuity and/or such other benefits as per the rules of the Company.


**X. AMENDMENTS TO THIS POLICY & APPROVAL:**

The Nomination and Remuneration Committee is entitled to amend this policy including amendment or discontinuation of one or more incentive programmes introduced in accordance with this Policy.

This remuneration policy as framed and or amended by the Committee shall be recommended to the Board of Directors for its approval.

**XI. DISCLOSURE:**

The Nomination and Remuneration policy shall be disclosed in the Board's report to be issued by the Board of Directors in terms of requirements of Companies Act, 2013.

For AMCO INDIA LTD.  
  
Director