



## **CODE FOR INDEPENDENT DIRECTOR AND FAMILIARIZATION PROGRAMME**

### **SCHEDULE IV Read with Section 149(8) of the Companies Act 2013**

#### **CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

#### **I. Guidelines for Professional Conduct**

An Independent Director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a *bona fide* manner in the interest of the Company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective;
6. exercise independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
7. not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
8. refrain from any action that would lead to loss of his independence; where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly; and
9. assist the Company in implementing the best corporate governance practices.

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CIN : L28910PB1990PLC010265

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## **II. Role and functions:**

The independent Directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## **III. Duties :**

The independent directors shall :

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

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- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

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- (4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out :
- (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

**V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

**VI. Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**VII. Separate meetings:**



- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;
  - (b) review the performance of the Chairman of the company, taking into account the views of executive directors and non-executive directors;
  - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism :**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

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## FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

### Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013

#### 1. PREAMBLE

In terms of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, Amber Enterprises India Limited (the “Company”) has introduced a programme to familiarize the Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various initiatives that would facilitate their active participation in managing the Company.

#### 2. Objective

The objective of the Familiarization Programme is:

- i. To adopt an organized programme for orientation and training of Independent Directors at the time of their joining so as to facilitate them to understand the Company – its operation, industry and the environment in which it functions;
- ii. To keep informed the directors on a continuing basis on any significant changes therein so as to be in a position to take well-informed and timely decisions;
- iii. To enable them to understand their roles and responsibilities;
- iv. To keep the Independent Directors updated on an ongoing basis about the significant changes which occur concerning the Company or its industry and business environment so that they are in a position to take well-informed decisions at appropriate time;
- v. To enable them to understand the Company and the industry and business environment it operates in.

#### 3. Applicability

The above Programme will be conducted for new and continuing Independent Directors of the Company. Apart from Independent Directors, Non-Executive Directors are also eligible to attend the familiarization programmes.

#### 4. Familiarization Process

- i. At the time of induction of the newly appointed Independent Directors, he/she is apprised adequately about the Company its business through audio or video clips, if any or through detailed Presentation, the vision, performance, its latest financial statements and their analysis, its business model, Industry scenario, competition, significant recent developments, strategy, growth plans and also the Board processes by the Chairman and CEO/Chairperson and Managing Director, the Chief Financial Officer, the Company Secretary and the Senior Management.

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- ii. Also provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, group structure, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities, risk management strategy, governance policies, designated channels for flow of information and such other areas as deemed necessary.
- iii. Organize a program of Plant visit, apprising about manufacturing process, industry dynamics, global business scenario and regulatory framework for the industry, etc to familiarize the Independent Directors with the process flow.
- iv. At every meeting of the Board, presentations are also made covering performance of the different businesses, financial analysis, financial position including liquidity, borrowings and investments, financial projections, significant changes in applicable laws and regulations, if any and operational/strategic issues of importance.
- v. Board members are updated about the statutory amendments from time to time.
- vi. The Company will inform that all the necessary information about the company i.e. Company's corporate profile, the Company's history, latest Annual Reports, Code of Conduct of the Company, Code of Conduct for Prevention of Insider Trading and disclosure practices, various policies of the Company etc. are available on the website of the Company and a detailed appointment letter containing roles and duties are provided to the director.
- vii. The Director will be given the terms of reference for the board committees in which they will be acting as the Chairperson or member. During this program, their roles and responsibilities as an Independent Directors as specified in the Companies Act, 2013 and other Statues will be explained to them.
- viii. In order to have a smooth relationship with other personnel in the Company, periodic meetings may be organized with the Senior Managements apart from the meetings prescribed under the Statutes to better understand the business and operation of the Company.
- ix. The specific roles, duties and rights of the Independent Directors as provided in the Companies Act, 2013 and in other statutes will be explained to them through Board meeting process or through various modes of communications.
- x. The Company may also circulate news and articles related to the industry from time to time and may provide specific regulatory updates.

## 5. Programme and Disclosure

- i. Familiarization Programme will be conducted on "need-basis" during the year. This Programme will be conducted for new and continuing Independent Directors of the Company depending upon the need.
- ii. The details of the familiarisation programme will be updated on website.

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Details of familiarisation session pursuant to the Policy are as follows:

Date of Program	Area Covered
22.03.2019	Updation on acquisition and future outlook
23.08.2019	Research and Development Lab Visit in Rajpura Industry Scenario Updated Companies Policies Updated on various Amended Acts and Rules

Details of attendance of Independent Directors in Familiarization Sessions are as follows:

S. No.	Name of Independent director	No. of sessions attended		No. of hours spent in the sessions attended	
		FY 2019 - 20	Cumulative till date	FY 2018 - 2019	Cumulative till date
1.	Dr. Girish Kumar Ahuja	2	5	2	3
2.	Ms. Sudha Pillai	2	5	2	3
3.	Mr. Satwinder Singh	2	5	2	3

## 6. Review of the Program

The Company may periodically review this Program and make suitable revisions, as may be deemed necessary, from time to time.

Any subsequent amendment/modification in the applicable laws in this regard shall automatically apply to this Policy.

Any change/amendments to this policy shall be approved by the Board.

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