



AMI ORGANICS LIMITED

NOMINATION AND REMUNERATION POLICY

Corporate Identity Number: U24100GJ2007PLC051093

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NOMINATION AND REMUNERATION POLICY - AMI ORGANICS LIMITED

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1. PREAMBLE

The Board of Directors (the “**Board**”) of Ami Organics Limited (the “**Company**”) on the recommendation of the Nomination & Remuneration Committee (the “**Committee**”) has approved and adopted this Nomination and Remuneration Policy (the “**Policy**”) in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder each as amended and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy was initially adopted by the Board on May 24, 2018 and later revised and adopted by the Board on April 28, 2021.

2. OBJECTIVE

The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, senior management personnel. The nomination and Remuneration Committee constituted by the Board shall implement this Policy. The Key Objectives of the Committee would be :

- (i) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii) To formulate the criteria for evaluation of performance of independent directors and the board of directors;
- (iii) Devising a policy on diversity of board of directors;
Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (iv) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (v) Recommend to the board, all remuneration, in whatever form, payable to Directors, KMP and senior management
- (vi) Recommend any necessary changes to the Board
- (vii) Delegating any of its powers to one or more of its members of the Committee.
- (viii) To develop a succession plan for the Board.

3. 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.

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

“**Key Managerial Personnel**” means (i) Managing Director or Chief Executive Officer or the Manager; (ii) Whole-time director; (iii) Chief Financial Officer; (iv) Company Secretary; and (v) such other officer,

NOMINATION AND REMUNERATION POLICY - AMI ORGANICS LIMITED

not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and such other officer as may be prescribed

“Senior Management” means personnel of the Company who are members of its core management team excluding the Board of Directors but including functional heads of the Company,.

“Committee” means Nomination and Remuneration Committee as constituted by the Company pursuant to the provisions of Act.

“Independent Director”: - means an independent director referred to in sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

APPLICABILITY

This Policy is applicable to: (i) Directors viz. Executive, Non-executive or Independent; (ii) Key Managerial Personnel (KMP); and (iii) Senior Management Personnel.

APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- (i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person in the field of marketing, finance, taxation, law, governance and general management for considering his appointment as Director or KMP; or at Senior Management level.
- (ii) A 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.
- (iii) The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Act.
- (iv) In case of appointment of Independent Directors, the Committee shall satisfy itself the compliance of provisions of Section 149 read with Schedule IV of the Act and rules there under.
- (v) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

4. TERM / TENURE OF:

4.1 Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

NOMINATION AND REMUNERATION POLICY - AMI ORGANICS LIMITED

4.2 Independent Director

4.2.1 Subject to the provisions of the Act, the Regulations and all other applicable rules, regulations, guidelines etc., an Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure(s) of such appointment in the Board's report.

4.2.2 No Independent Director shall hold office for more than two consecutive terms, however 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.

4.2.3 The independent director shall at the first meeting of the Board in which she/he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her/his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Act and Regulation 25 of the Listing Regulations.

4.2.4 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 the limits prescribed under the Act and Listing Regulations.

5. EVALUATION

The Committee shall carry out performance evaluation of every Director, KMP and Senior Management Personnel at regular interval (yearly) keeping in view the objectives of the Company.

6. REMOVAL

The Committee may recommend to the Board with reasons recorded in writing to remove a Director, KMP or Senior Management Personnel subject to the provisions of the Act, and all other applicable acts, rules, regulations, guidelines etc., if any, applicable to the Company.

7. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations 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.

NOMINATION AND REMUNERATION POLICY - AMI ORGANICS LIMITED

8. REMUNERATION POLICY FOR THE MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR.

At the time of appointment or re-appointment, the Managing Director or Whole-time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole-time Director within the overall limits prescribed under the Companies Act, 2013. Any increments to be recommended to the Board by the NRC for whole-time director/ managing director/ independent directors shall be in accordance with the percentage/slabs laid under the applicable provisions of the Companies Act and rules framed thereunder

- 8.1 The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- 8.2 The remuneration of the Managing Director or Whole-time Director may be broadly divided into fixed and variable components. The fixed component shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise performance bonus, incentives etc..
- 8.3 In determining the remuneration (including the fixed increment and performance bonus), the Committee shall ensure / consider the following: (a) the relationship of remuneration and performance benchmarks is clear; (b) balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals; (c) responsibility required to be shouldered by the Managing Director or Whole-time Director, the industry benchmarks and the current trends.

9. REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES

In determining the remuneration of Senior Management Employees (i.e. KMPs and senior officers just below the board level), the Committee shall ensure / consider the following: (i) the relationship of remuneration and performance benchmark is clear; (ii) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals; (iii) the remuneration may be divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus; (iv) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.

10. CONSIDERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR

- 10.1 **Sitting Fees:** The Non-executive/Independent Directors of the Company may be paid sitting fees as per the applicable rules & regulations. The amount of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors.

NOMINATION AND REMUNERATION POLICY - AMI ORGANICS LIMITED

- 10.2 **Annual Commission** – Annual Commission may be paid to non executive Directors and Independent Director within the monetary limit approved by the members of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act and rules made there under and any other regulation, if any.
- 10.3 **Stock Options** - Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

11. DISCLOSURES BY THE COMPANY

This policy shall be uploaded on the website of the Company and the details of this policy, shall be mentioned in the annual report of the Company

12. POLICY REVIEW

The NRC or the Board may review the Policy as and when it deems necessary. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary. This Policy may be amended or substituted by the NRC or by the Board as and when required due to any statutory changes necessitating the change in the policy.

