

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

POLICY FOR EVALUATION OF THE PERFORMANCE OF BOARD OF DIRECTORS, COMMITTEES AND DIRECTORS

INTRODUCTION

As one of the most important functions of the Board of Directors is to oversee the functioning of company's top management, this policy aims at establishing a procedure for conducting periodical evaluation of Directors' performance and formulating the criteria for evaluation of the Board, its Committees and every Director of the company. Company has made this policy to comply with various provisions of Section 134 and 178 and the Code for Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 17(10), 25(4) and Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

OBJECTIVE

The object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company, its Committees, Chairperson and all Directors.

RESPONSIBILITY

Responsibility of the Board

It shall be the duty of the Nomination and Remuneration Committee or the Chairperson of the Board, who shall be supported by Company Secretary to organise the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the Board's, Directors' and Committees' effectiveness, to maximise their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis :

- a. The performance evaluation of Independent Director shall be carried on by the entire Board of Directors of the Company except the Director getting evaluated.
- b. Board may also conduct the performance evaluation of its Committees & Non Independent Directors, Managing Director & Chairperson, if it is deemed necessary.
- c. The Board shall discuss and analyse performance evaluation report of its performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.
- d. Review performance evaluation reports of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirement of establishing any new committees shall be reviewed by the Board on an annual basis.
- e. Review the various strategies of the company and accordingly set the performance objectives for Directors.
- f. Ensure that adequate disclosure is made with regard to performance evaluation in the Board's Report.

Responsibility of the Nomination & Remuneration Committee

The Nomination and Remuneration Committee (hereinafter referred to as "**Committee**") may evaluate the performance of individual Directors, Board and its Committees, as per its terms of reference and the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013.

Responsibility of Independent Directors

Independent Directors are bound to evaluate the performance of Non-Independent Directors and Board as a whole. The independent directors of the Company shall hold at least one meeting in a year to review the performance of Non-Independent Directors, performance of the Chairperson of the Company and Board as a whole, taking into account the views of executive directors and non-executive directors.

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

The independent directors at their separate meetings shall:

- (a) review the performance of Non-Independent Directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; reasonably perform their duties.

The Evaluation report shall be submitted to either the Nomination & Remuneration Committee or the Chairperson of Board.

PERFORMANCE EVALUATION CRITERIA

The Committee has laid down the criteria for evaluation of the individual Directors, Chairperson & Managing Director, Board as a whole and its Committees as per the performance evaluation sheet enclosed to this Policy. Based on evaluation criteria laid down in this Policy, the Board Members shall rate the performance of each and every Director, Board & its Committees, including the Chairperson of the Company. The Committee based on overall performance evaluation rating shall decide the performance and effectiveness of the Board as a whole, its Committees & each and every Director.

PROCEDURE FOR EVALUATION:

The Committee in assistance with the Company Secretary, will be responsible for the distribution of the evaluation forms and the collection and tabulation of the forms and schedule calls or necessary meetings to facilitate the evaluation. The individual comments and views as filled in the evaluation forms, may also be discussed in Committee meeting, including discussion with the Independent Director and the Board of Directors. The Committee shall meet thereafter to discuss upon and deliver the final evaluation results to the Board of Directors. The evaluation results may impact the Director's compensation. Therefore, the annual review and determination of the Executive Directors compensation will be decided as per the evaluation results.

Board's Evaluation:

The Board assessment of performance in relation to the Board's key responsibilities shall include:

- meeting the business expectation and strategic planning;
- discharging the board's legal and ethical obligations;
- monitoring entity performance;
- monitoring and reviewing the performance of the chief executive; and
- managing relationships with stakeholders.

Board Committees Evaluation

This Policy is to ensure committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in its terms of reference. Each year, the Board will undertake the following activities:

- The Board will review the necessity of establishing any committees and delegating certain of its responsibilities to the Committee.
- The Board will review the committees' achievements during the year based on their duties.
- The Board will review the terms of reference of the committees from time to time to ensure that they are in accordance with applicable law.

POLICY REVIEW

Subject to the approval of Board of Directors, the "Nomination and Remuneration Committee" reserves its right to review and amend this policy, if required, to ascertain its appropriateness as per the needs of the company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

DISCLOSURE

In accordance with the requirement under the Act, disclosure regarding the manner in which the performance evaluation has been done of the performance of Board of Directors, performance of various committees of directors and individual directors' performance will be made by the Board of Directors in the Board's Report. Further, the Board's Report containing such statement will be made available to the shareholders at the general meeting of the Company.

The Policy shall be made available on Company's official website and the key features of this Policy shall also be included in the corporate governance statement contained in the Annual Report of the Company.

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

EVALUATION SHEET

Rating Scale :

1. Outstanding
2. Exceeds Expectation
3. Meets Expectation
4. Needs Improvement
5. Poor

**PART 1
Board of Directors Evaluation**

Criteria	Ratings	Remarks
	1 2 3 4 5	
1. The Board has appropriate expertise and experience to meet the best interests of the company.		
2. The board has appropriate combination of industry knowledge and diversity (gender, experience, background)		
3. All the independent directors are independent in true letter and spirit i.e. whether the independent Director has given declaration of independence and they exercise their own judgement, voice their concerns and act freely from any conflicts of interests.		
4. The Board members spend sufficient time in understanding the strategic and business plans, financial reporting structure and related internal controls and provides critical oversight on the same.		
5. The Board understands the legal requirements and obligations under which they act as a Board; i.e. bylaws, corporate governance manual etc. and discharge their functions accordingly.		
6. The board monitors compliances with corporate governance regulations and guidelines.		
7. An effective succession plan of board is in place.		
8. The Board has the proper number of Committees as required by legislation and guidelines, with well-defined terms of reference and reporting requirements.		

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

9. The Board meeting agenda and related background papers are concise and provide information of appropriate quality and detail.		
10. The information is received by board members sufficiently in advance for proper consideration.		
11. Adequacy of attendance and participation by the board members at the board meetings.		
12. Frequency of Board Meetings is adequate.		
13. The facility for video conferencing for conducting meetings is strong.		
14. The Board meetings encourage a high quality of discussions and decision making.		
15. Openness to ideas and ability to challenge the practices and throwing up new ideas.		
16. The minutes of Board meetings are clear, accurate, consistent, complete and timely.		
17. The actions arising from board meetings are properly followed up and reviewed in subsequent board meetings.		
18. Adequacy of the separate meetings of independent directors.		
19. Appropriateness of secretarial support made available to the Board.		
20. All proceedings and resolutions of the Board are recorded accurately, adequately and on a timely basis.		
21. Appropriateness of the induction programme given to the new board members.		
22. Timeliness and appropriateness of ongoing development programmes to enhance skills of its members.		
23. Appropriate development opportunities are encouraged and communicated well in time		
24. The Board has developed a strategic plan / policies and the same would meet the future requirement of the Company		
25. The Board has sufficient understanding of the risk attached with the business structure and the Board uses appropriate risk management framework and whether board reviewed and understood the risks provided in the internal audit report and the management has taken sufficient steps to mitigate the risk.		

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

26. Monitoring the company’s internal controls and compliance with applicable laws and regulations.		
27. Appropriateness of effective vigil mechanism		
28. The Board discusses the annual budget of the Company and its implications before approving it.		
29. The Board periodically reviews the actual result of the Company vis-à-vis the plan/ policies devised earlier and suggests corrective measures, if required.		
30. The Board has a succession plan for the Chairperson and the Chief Executive Officer / Managing Director and KMPs.		
31. The Board reviews the existing succession plan and if appropriate, make necessary changes by taking into account the current conditions.		

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Board Performance					
Comment				

Please suggest three things that could improve Board’s performance

.....

.....

.....

.....

Name of the Director

Signature

Date

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

PART II

MANAGING DIRECTOR / CHAIRPERSON ASSESSMENT FORM

Name of the MD / Chairperson being Evaluated:

SR. NO.	EVALUATION FACTOR	RATINGS					COMMENTS
		1	2	3	4	5	
1.	The MD has shown clear vision in correctly anticipating business trends, opportunities, and priorities affecting the Company's operations and growth.						
2.	The MD has clearly translated his/her vision and strategy into feasible business or operational plans to achieve strategic success for the Company.						
3.	The MD has accurately communicated his/her concept, vision, mission, strategies, goals, and directions for the Company to stakeholders.						
4.	The MD has motivated and encouraged high employee morale and loyalty to the organization, and facilitated team-building and cohesiveness among the Company's employees to achieve the Company's vision.						
5.	The MD is open to constructive suggestions, and exercised effective leadership for the organization.						
6.	The MD has assured that company's resources and budgets are aligned to the implementation of the organization's strategic plan.						
7.	The MD has established an effective organization structure, ensuring that there is management focus on key functions necessary for the organization to align with its mission.						
8.	The MD has organized and delegated work accurately, and has performed his or her functions within his/her scope of responsibility.						
9.	The MD has accurately supervised performance monitoring and performance control to ensure accountability at all levels of the organization.						
10.	The MD has ensured that the company's operations complied with requirements from all pertinent laws and regulations .						
11.	The MD has possessed a good understanding of the company's financial measures relevant to its business and financial situation.						
12.	The MD has exercised good judgment in managing the financial affairs and budgets of the organization.						

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

13.	The MD has effectively monitored and evaluated financial planning, budget and administrative operations.		
14.	The MD has built strong working relationships with Board members and has worked closely and cooperatively with the board in developing the mission, and short, medium and long-term strategic plans.		
15.	The MD has demonstrated a sound knowledge of Board governance procedures and has consistently followed them.		
16.	The MD has been available to individual Board members whenever necessary, as well as supported the board in its governance duties by providing necessary resources and other facilities.		
17.	The MD has served as an effective Company's representative in communicating with all stakeholders.		
18.	The MD has encouraged corporate social responsibility and community involvement in promoting a positive image of Company.		
19.	The MD has created and maintained an organizational culture and climate which attracts, keeps and motivates staff to carry out the Company's mission, strategic directions and organizational goals.		
20.	The MD effectively monitors procedures and practices pertaining to human resources, including appraisal process and rewarding systems for management and employees.		
21.	The MD has demonstrated a thorough knowledge and understanding about key aspects of the Company's products and services and operations.		
22.	The MD has a good understanding of the company's business model and allocation of its resources, as well as business and industry environment.		

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

	outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Performance of MD					
Comment				

Please suggest three things that could improve Board’s performance

.....

.....

.....

.....

Name of the Director

Signature

Date

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

PART III

DIRECTOR ASSESSMENT REVIEW

Name of the Director being Evaluated:

	CRITERIA	Rating 1 2 3 4 5	REMARKS
1.	Knowledgeable		
2.	Understands duties, responsibilities, qualifications, disqualifications and liabilities as a director.		
3.	Brings relevant experience to the board and uses it effectively.		
4.	Understands the vision and mission of the company, strategic plan and key issues.		
5.	Staying abreast of issues, trends and risks (including opportunities and competitive factors) affecting the Company, and using this information to assess and guide the company's performance.		
6.	Takes opportunity to upgrade skills by regularly attending professional development programmes.		
7.	Regularly and constructively attend board, committee and general meetings.		
8.	Prepares in advance for board and committee meetings.		
9.	Communicates opinions and concerns in a persuasive yet clear and concise manner.		
10.	Uses Independent judgement in relation to decision making.		
11.	Facilitates and encourages change where it would improve board processes.		
12.	Maintains confidentiality.		
13.	Abides by the legal obligations and code of conduct.		
14.	Listens attentively to the contributions of others.		
15.	Initiates discussions on issues in company's interest.		
16.	Shares good interpersonal relationship with other directors.		
17.	Supportive and cooperative.		
18.	Manages conflicts of interest in best interest of the company.		

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

PART IV

NON EXECUTIVE DIRECTOR AND INDEPENDENT DIRECTOR EVALUATION FORM

PART A -

Name of Director being Evaluated –

	EVALUATION FACTOR	RATINGS 1 2 3 4 5	COMMENTS
1.	Director comes well prepared and informed for the Board / Committee meeting(s).		
2.	Director demonstrates a willingness to devote time and effort to understand the Company and its business and a readiness to participate in events outside the meeting room, such as site visits.		
3.	Director's contributions at Board / Committee meetings are of high quality and innovative.		
4.	Director's proactively contributes in to development of strategy and the risk management of the Company.		
5.	Director's performance and behaviour promotes mutual trust and respect within the Board / Committee.		
6.	Director is effective and successful in managing relationships with fellow Board members and senior management.		
7.	Director has maintained high standard of ethics and integrity.		
8.	Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee.		
9.	Director actively and successfully refreshes his/ her knowledge and skills and up to date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions.		
10.	Director is able to present his/ her views convincingly.		
11.	Director listens and takes on Board the views of other members of Board.		

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

PART B

(If concerned Director is “Independent Director” then in addition to Part-A)

Name of the Director:

Category: Independent

	EVALUATION FACTOR	RATINGS 1 2 3 4 5	COMMENTS
1.	Director upholds ethical standards of integrity and probity.		
2.	Director exercises objective independent judgment in the best interest of Company.		
3.	Director has effectively assisted the Company in implementing best corporate governance practice.		
4.	Director helps in bringing independent judgement during board deliberations on strategy, performance, risk management etc		
5.	Director keeps himself/ herself well informed about the Company and external environment in which it operates.		
6.	Director acts within his authority and assists in protecting the legitimate interest of the Company, Shareholder and employees.		
7.	Director maintains high level of confidentiality.		
8.	Director adheres to the applicable code of conduct for independent directors.		

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Director Performance					
Comment				

Please suggest three things that could improve performance

.....

.....

.....

Name of the Director

Signature Date

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

**PART V
EVALUATION OF BOARD COMMITTEES**

Name of the Committee being Evaluated:

	CRITERIA	RATINGS 1 2 3 4 5	REMARKS
1.	Function and Duties		
2.	The Committee of the Board is properly constituted.		
3.	The terms of reference for the committee are appropriate with clear defined roles and responsibilities.		
4.	Observing Committees terms of reference.		
5.	The composition of the committee is in compliance with the legal requirement.		
6.	The amount of responsibility delegated by the Board to each of the committees is appropriate.		
7.	The performance of each of the Committees is assessed annually.		
8.	Whether the terms of reference are adequate to serve committee's purpose.		
9.	Committee gives effective suggestion and recommendation.		
10.	Committee meetings are conducted in a manner that encourages open communication and meaningful participation of its members.		
11.	Committee meetings have been organized properly and appropriate procedures were followed in this regard.		
12.	The frequency of the Committee meetings is adequate.		
13.	Committee makes reporting to the Board along with its suggestions and recommendations.		

POLICY FOR EVALUATION OF PERFORMANCE – AMI ORGANICS LIMITED

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Director Performance					
Comment	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>				

Please suggest three things that could improve performance

.....

.....

.....

.....

Name of the Director

Signature

Date