

AMINES & PLASTICIZERS LIMITED



BOARD EVALUATION POLICY

Adopted on February 13, 2025



BOARD EVALUATION POLICY

Performance evaluation of Directors and Board as a whole and its Committees

1. BACKGROUND

The Board of Directors (“**Board**”) of Amines & Plasticizers Limited (“**Company/APL**”) has on the basis of the recommendation of the Nomination and Remuneration Committee (“**NRC**”), adopted this board evaluation policy (“**Policy**”) to comply with the various provisions under Regulation 19 and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and the Companies Act, 2013 (“**Companies Act**”).

The Policy is based on the SEBI circular SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 which provides further clarity on the process of board evaluation (“**SEBI Guidance Note**”).

2. OBJECT

The Policy has been framed with an objective to ensure individual directors of the Company (“**Directors**”) and the Board as a whole, work efficiently and effectively in achieving their functions, for the benefit of the Company and its stakeholders. Accordingly, the Policy provides guidance on evaluation of the performance, on an annual basis, of:

- (i) individual Directors (including the Chairperson and Independent Directors of the Company);
- (ii) the Board as a whole; and
- (iii) various committees of the Board (“**Board Committees**”).

3. MANNER OF EVALUATION

Evaluation of Individual Directors

- 3.1. Performance of individual Directors of the Company (including the Chairperson and Independent Directors) shall be evaluated, on an annual basis, by: (i) the Board as a whole (excluding the Director being evaluated); and (ii) the Nomination and Remuneration Committee.
- 3.2. In carrying out its evaluation, the Board and/ or NRC, shall keep in mind the evaluation parameters set out in: (i) **Annexure 1** with respect to all Directors other than the Independent Directors and Chairperson; (ii) **Annexure 2** with respect to the Independent Directors; and (iii) **Annexure 3** with respect to the Chairperson of the Company.
- 3.3. While evaluating the performance of individual Directors, NRC shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual Director, the performance of the Company and the role of the individual Director within the Company. Further, NRC shall determine whether to extend or continue the term of appointment of each Independent Director, on the basis of the report of performance evaluation of Independent Directors.

- 3.4. In addition, the Independent Directors shall hold a meeting at least once in a financial year, without the presence of the non-Independent Directors of the Company, to review the performance of: (i) such non-Independent Directors in accordance with the evaluation parameters set out in **Annexure 1**; and (ii) the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors, and the evaluation parameters set out in **Annexure 3**. All Independent Directors shall strive to attend such meeting.

Evaluation of the Board

- 3.5. The Board shall, on an annual basis, evaluate its own performance keeping in mind the evaluation parameters set out in **Annexure 4**.
- 3.6. In addition, the Independent Directors, in the meeting referred to in paragraph 3.4 above, without the presence of the non-Independent Directors of the Company, shall (i) review the performance of the Board as a whole in accordance with the evaluation parameters set out in **Annexure 4**; and (ii) assess the quality, quantity and timelines of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Evaluation of the Board Committees

- 3.7. The Board shall, on an annual basis, evaluate the performance of each Board Committee as per the evaluation parameters set out in **Annexure 5**.
- 3.8. In addition, the Independent Directors, in the meeting referred to in paragraph 3.4 above, without the presence of the non-Independent Directors of the Company, shall (i) review the performance of the Committees as a whole in accordance with the evaluation parameters set out in Annexure 5; and (ii) assess the quality, quantity and timelines of flow of information between the management of the Company and the Board Committees that is necessary for the Board to effectively and reasonably perform its duties.

4. FEEDBACK

The Chairman and Managing Director or in his absence Executive Director or may give feedback of evaluation to:

- (i) each Director separately;
- (ii) the entire Board; and
- (iii) each Board Committee.

Provided in case the members are not comfortable with open individual assessment, provision for confidentiality may be made where possible in consultation with Chairman and Managing Director/ Executive Director.

5. ACTION PLAN

The Chairman and Managing Director shall review a summary of results of the Board evaluation. Based on the feedback from each member, an average rating for each

question will be obtained. All questions with average rating of 3 or less shall be identified as areas for reflection and action planning. These are not necessarily the problem areas but definitely the areas where processes/ practices can be improved to meet the best governance standards and the Board may devise a plan to address such identified areas. While identifying the areas for reflections, proposed actions should be suggested by the Board.

6. POLICY REVIEW

Subject to the approval of the Board, 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.

7. DISCLOSURE

In accordance with the requirements under the Listing Regulations and the Companies Act, 2013 disclosure regarding the manner in which the performance evaluation has been done by the Board of its own performance, performance of various Board Committees and individual Directors will be made by the Board in the Board's report. Further, the Board's report containing such statement will be made available for the review of shareholders at the general meeting of the Company. The key features of this Policy will be included in the corporate governance statement contained in the annual report of the Company.

DRAFT OF STATEMENT TO BE INCORPORATED IN THE BOARD'S REPORT:

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual director, also of the Board as a whole and its Committees individually has been carried by your company as per the evaluation criteria formulated by the Nomination and Remuneration Committee and approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013 and the guidelines prescribed by the Securities and Exchange Board of India in its circular dated January 5, 2017.

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

Annexure 1 | Individual Director

This questionnaire has been designed to enable the assessment of every individual director by all members of the Board, saving the Director who is being evaluated. Every question would need to be evaluated on a 5 point scale as given below.

Strongly disagree	Disagree	No opinion	Agree	Strongly Agree
1	2	3	4	5

Individual Director – Assessment	Name of Director
Qualification, Experience, Knowledge and Competency - for the effective functioning of the entity and the Board. - Understanding and knowledge of the entity and the sector in which it operates.	
Understands and fulfils the functions to him/her as assigned by the Board as well as assigned by the law	
Ability to function as an Effective Team Member	
Availability and attendance for the Board/ Committees	
Commitment: Adequately committed to the Board and the Company	
Contribution: Effective Contribution in the Board meetings	
Integrity: The person demonstrates the highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)	

Name of Director :

Sign :

Date :

Note 1: *Additional Comments and Suggestions, if any, to be written separately and attached to this questionnaire.*

Note 2: *The Independent Directors of the Company shall evaluate the non-independent director in a meeting without the attendance of the non-independent directors and the management.*

Annexure 2 | Additional Criteria for Independent Director

Criteria for performance review of Independent Director

This questionnaire has been designed to enable the assessment of every Independent Director by all members of the Board, saving the Independent Director who is being evaluated on an annual basis at the end of every financial year. Every question would need to be evaluated on a 5 point scale as given below.

Strongly disagree	Disagree	No opinion	Agree	Strongly Agree
1	2	3	4	5

Parameters	Name of Director
Independence : The person is independent from the entity and the other directors and there is no conflict of interest.	
Independent views and judgment:	
The person exercises his/ her own judgment and voices opinion freely.	
The person's participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms.	
The person raises his/her concern if anything is observed contrary to regulatory norms and the expected norms of ethical conduct.	
The person is committed to ensure that there is fairness and integrity in the Company, in letter as well as spirit.	

Name of Director :

Sign :

Date :

Annexure 3 | Assessment of Chairperson

This questionnaire has been designed to enable the assessment of the Chairperson by all members of the Board. Every question would need to be evaluated on a 5 point scale as given below.

Strongly disagree	Disagree	No opinion	Agree	Strongly Agree
1	2	3	4	5

Chairman – Assessment	Name of Chairperson
Effectiveness of leadership and ability to steer the meetings: The Chairperson displays efficient leadership, is open-minded, decisive, courteous, displays professionalism, able to coordinate the discussion, etc. and is overall able to steer the meeting effectively	
Impartiality: The Chairperson is impartial in conducting discussions, seeking views and dealing with dissent, etc.	
The Chairperson is sufficiently committed to the Board and its meetings.	
The Chairperson is able to keep shareholders’ interest in mind during discussions and decisions.	

Name of Director:

Sign :

Date :

Annexure 4 | Board Evaluation

This Annexure has been designed to enable assessment of the Board. Every question would need to be evaluated on a 5 point scale as given below.

Strongly disagree	Disagree	No opinion	Agree	Strongly Agree
1	2	3	4	5

Sr. No	Parameters	Rating (1 to 5)
1	Structure of the Board	
1.1	Competency and Qualifications of directors: The Board has proper mix of competencies to conduct its affairs effectively with a proper mix of qualifications to conduct its affairs effectively.	
1.2	Experience of directors: The Board has Enough experience to conduct its affairs effectively	
1.3	Diversity in Board under various parameters: There is sufficient diversity in the Board (Gender/background/ competence/experience)	
2	Meetings of the Board	
2.1	Meetings are held on a regular and at periodical intervals. Adequate secretarial and logistical support is available for conducting Board meetings.	
2.2	All the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly and the agenda is circulated well before the meeting with all the relevant information to take decisions on the matter.	
2.3	The Board discusses every issue comprehensively and depending on the importance of the subject and the environment of the meeting induces free-flowing free flowing discussions, healthy debate and contribution by everyone without any fear or fervour	
2.4	All members actively participate in the discussions and functions as a team, discussions generally add value to the decision making and dissenting suggestions are welcomed	
2.5	The minutes of the Board meeting are being recorded properly, clearly, completely, accurately and consistently and also circulated to all the Board Members. Dissenting views (if any) are recorded in the minutes	
2.6	Board is adequately informed of material matters in between Meetings	
3	Functions of the Board	
3.1	Role and responsibility of the Board is clearly documented.	
3.2	Adequate time is being devoted to management of current and potential strategic issues. Various scenario planning is used to evaluate strategic risks	
3.3	The Board overall reviews and guides corporate strategy, major plans of action, risks, corporate performance, and oversees the affairs as required by the law	
4	Governance, Compliance and Evaluation of Risk	
4.1	Adequate time of the Board is being devoted to analyse and examine governance and compliance issues and the Board monitors the effectiveness of its governance practices and makes changes as needed.	
4.2	The Board ensures the integrity of the Company's accounting and financial reporting systems, including the independent audit, and the appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards	
4.3	The Board oversees the process of disclosure and communications and evaluates and analyses the compliance certificate from the auditors / practicing company secretaries regarding compliance of conditions of corporate governance	

Sr. No	Parameters	Rating (1 to 5)
4.4	The Board undertakes a review of the high-risk issues impacting the Company regularly.	
5	Grievance Redressal for Investors & Conflict of Interest Evaluation	
5.1	The Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved	
5.2	The Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions	
6	Stakeholder Value and Responsibility	
6.1	The Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders and creating value to the Stakeholders.	
6.2	The Board treats shareholders and stakeholders fairly where decisions of the board of directors may affect different shareholder/ stakeholder groups differently.	
6.3	The Board regularly reviews the corporate social responsibility initiatives of the entity and contribution to society, environment etc.	
7	Board and management	
7.1	The Board evaluates and monitors management and fairly and provides constructive feedback and strategic guidance. The measures used are broad enough to monitor performance of the management and performance is benchmarked against industry peers	
7.2	The remuneration of the management is in line with its performance and with industry peers	
7.3	The remuneration of the Board and the management is aligned with the longer term interests of the entity and its shareholders.	
7.4	The Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such Evaluation.	
7.5	The Board 'steps back' to assist executive management by challenging the assumptions underlying strategy, strategic initiatives, risk appetite, exposures and the key areas of the entity's focus	
7.6	The Board and the management are able to actively access each other and exchange information.	
7.7	An appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board	
7.8	Adequate familiarisation programmes are made available to new and old directors. Continuing directors training is provided to ensure that the members of board of directors are kept up to date.	
7.9	The Board sets a corporate culture and the values by which executives throughout a group shall behave.	
7.10	The Board monitors and reviews the Board evaluation Framework	
7.11	The Board facilitates the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively	

Name of Director :

Sign :

Date :

Annexure 5 | General Evaluation Criteria for the Committees of the Board

While evaluating the performance of the Committees of the Board the following general criteria as laid out in the SEBI Guidance Note shall be considered by the Board. Every question would need to be evaluated on a 5 point scale as given below.

Strongly disagree	Disagree	No opinion	Agree	Strongly Agree
1	2	3	4	5

Sr. No.	Parameter	Description	Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
1	Mandate and Composition	The Mandate, composition and working procedures of the committees of the Board are clearly defined and discussed				
2	Effectiveness of the Committee	The committee has fulfilled its functions as assigned by the Board and laws as may be Applicable				
3	Structure of the Committee and meetings	The Committees have been structured properly and regular meetings are being held. The agenda is circulated well before the meeting with all the relevant information to take decisions on the matter.				
		The environment of the meeting induces free-flowing free flowing discussions, healthy debate and contribution by everyone without any fear or favour and the committee discusses every issue comprehensively and depending on the importance of the subject. Discussions generally add value to the decision making.				
		The minutes of the committee meeting are being recorded properly – clearly, completely, accurately and consistently, circulated to the Committee members as well. Dissenting views if any are recorded in the minutes				
		All the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly				
		Committee is adequately informed of material matters in between meetings				
4	Independence of the Committee from the Board	The independence of the committee is ensured from the Board.				
5	Contribution to decisions of the Board	The committee's recommendations contribute effectively to the decisions of the Board.				

Name of Director :

Sign :

Date :