



Machino Plastics Limited

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PERFORMANCE EVALUATION POLICY

1. In accordance with the requirement of Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 along with schedule IV of the Companies Act, 2013 and other provisions as may be applicable on the company from time to time; the company shall evaluate the performance of its Independent Directors, its board and other committee on annual basis.
2. An indicative list of factors that may be evaluated as part of this exercise is:-
 - a) Participation in the meetings and contribution by a director,
 - b) Commitment [including guidance provided to senior management outside of Board / Committee meetings),
 - c) Effective deployment of qualification, knowledge and expertise,
 - d) Effective management of relationship with stakeholders,
 - e) Integrity and maintenance of confidentiality,
 - f) Independence of behavior and judgment and
 - g) Impact and influence.
3. The Nomination and Remuneration Committee shall have the authority to include any other parameters in addition to the above mentioned criterion for evaluation of performance of the Board its Committees and Directors. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.
4. The Board on the basis of the Performance Evaluation Policy of the company would evaluate the performance of Independent Directors (excluding the director being evaluated). On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of Independent Director on annual basis.
5. The board on the basis of recommendation of Nomination and Remuneration Committee shall adopt Board Evaluation Framework and shall periodically monitor and review the same. The said policy shall also form part of Annual Report of the Company.
6. The Nomination and Remuneration Committee shall also identify the persons who are qualified to become director and who may be appointed in senior management accordance with the criteria laid down, and recommend to the board their appointment and removal. While recommending to the board the appointment of directors, the nomination and remuneration committee shall select the candidate from Institute of Directors, Indian Institute of Corporate Affairs, Institute of Company Secretaries of India and such other sources as it may deems fit.

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.

3. 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;

(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.

4. 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

7. 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 Chairperson 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.

8. 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.

For Machino Plastics Ltd.

Chairman Cum Managing Director