

PLASTENE INDIA LIMITED
CIN: U25209GJ1998PLC034861

PERFORMANCE EVALUATION POLICY

The following "Performance Evaluation Policy" is for the use to the Board of Directors of **PLASTENE INDIA LIMITED** ("Company")

INTRODUCTION/PREAMBLE

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, internal code of conduct and policies formulated by the Company for its internal execution. The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis and in the best interest of the company and its stakeholders.

The Company is required to have a formal annual evaluation of the complete Board, individual director and committees because:

1. It is mandated under Companies Act 2013(the Act) under section 178(2) that Nomination and Remuneration Committee shall carry out the evaluation of every director's performance.
2. Section 149 read with schedule IV of the Act requires that
 - 2.1 The re-appointment of independent director shall be on the basis of report of performance evaluation (Clause V of the Schedule)
 - 2.1 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 and shall
 - 2.1.1 Review the performance of non-independent directors and the Board as a whole
 - 2.1.2 Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors (Clause VII of the Schedule)
 - 3.1 The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated (Clause VIII of the Schedule)
3. The entire evaluation process made by the Board of its own performance and that of its committees and individual directors has to be disclosed in the Annual Board report is mandated under Section 134(3) (p) of the Act.

Accordingly, the present policy for performance evaluation is being put into place. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner. This policy aims at establishing a procedure for conducting periodical evaluation of each director's, key managerial personnel, Independent director's and Board as a whole's performance. This policy further aims at ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties. The Nomination and Remuneration Committee shall carry out the evaluation of performance in accordance with the criteria laid down.

DEFINITIONS

“**Act**” shall mean the Companies Act, 2013.

“**Company**” shall mean **Plastene India Limited**.

“**Board**” in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.

“**Independent Director**” shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (5) of the Act.

“**Policy**” shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

“**Committees**” shall mean the following Committees:

1. Nomination and Remuneration Committee
2. Audit Committee
3. CSR Committee
4. Any other Committee as constituted by the Board after approval of this policy

PERFORMANCE EVALUATION PROCESS

1. Evaluation process shall commence each year (during last quarter of the financial year) to evaluate the performance of concerned body or individual.
2. In the month of January each director shall given a copy of the **feedback form** for assessing the overall performance of Board/Committees/Directors/ Chairperson/ Managing Director/wholetime director / Executive Director/Independent director, as the case may be. They shall fill up the form and submit within 10(ten) days of received.
3. The independent directors of the company shall in their meeting, without the attendance of non-independent directors and members of management shall review the performance of Chairperson, non-independent directors and the Board as a whole and prepare a **Review Report**. They may consider the feedback forms.
4. Nomination and Remuneration Committee shall carry out the evaluation of every director’s performance and shall analyse the feedback forms. The Committee, while doing so, may also consider the outcome of Review Report of independent directors and prepare a **Evaluation Report**.
5. Board may evaluate the performance of Board, committees and individual directors while doing so may also consider the input received from the Nomination and Remuneration Committee’s Evaluation Report and Review Report of independent directors.

ASSESSMENT CRITERIA

Criteria that should be considered by the independent directors, Nomination and Remuneration Committee and the Board are as:

1. Assessment criteria for performance evaluation of Board

The following broad parameters for reviewing the performance of the Board as a whole should be consider by the Board itself and the independent directors:

- Development of suitable strategies and business plans at appropriate time and its effectiveness;
- Implementation of robust policies and procedures;
- Size, structure and expertise of the Board;

- Oversight of the Financial Reporting Process, including Internal Controls;
- Willingness to spend time and effort to learn about the Company and its business; and
- Awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.

The Independent Directors at their separate meeting shall also 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.

Quality of information includes its relevance, completeness, authenticity, how comprehensive and concise and clear such information is. As regards quantity, the independent director need to assess that the information is neither too less nor too much resulting in an information overload. Typically the information to the board members should carry an executive summary which is supplemented by detailed notes and where necessary back-up papers as annexure. Timeliness of information flow can be gauged from facts such as how soon are important events communicated between board meetings, timeliness of the agenda papers, etc.

2. Assessment criteria for performance evaluation of Committees

The following broad parameters, in additions to the parameters stated previously for evaluation of Board to the extent applicable to respective committee, for reviewing the performance of the Committees are considered:

- Discharge of its functions and duties as per its terms of reference;
- Process and procedures followed for discharging its functions;
- Effectiveness of suggestions and recommendations received;
- Size, structure and expertise of the Committee; and
- Conduct of its meetings and procedures followed in this regard.

3. Assessment criteria for performance evaluation of Individual director

3.1 Evaluation of Managing Director / Whole time Director / Executive Director

The following broad parameters are considered:

- Achievement of financial/business targets prescribed by the Board;
- Developing and managing / executing business plans, operational plans, risk management, and financial affairs of the organization;
- Display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations;
- Development of policies, and strategic plans aligned with the vision and mission of Company and which harmoniously balance the needs of shareholders, clients, employees, and other stakeholders;
- Establishment of an effective organization structure to ensure that there is management focus on key functions necessary for the organization to align with its mission; and
- Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders.

3.2 Evaluation of Non-Executive Directors

The following broad parameters are considered:

- Participation at the Board / Committee meetings;
- Commitment (including guidance provided to senior management outside of Board/ Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality;

- Independence of behavior and judgment; and Impact and influence.

3.3 Evaluation of Independent Directors

In addition to the parameters laid down for Directors, which shall be common for evaluation to both Independent and Non- executive directors, an Independent director shall also be evaluated on the following parameters:

- Exercise of objective independent judgment in the best interest of Company;
- Ability to contribute to and monitor corporate governance practice; and
- Adherence to the code of conduct for independent directors.

4. Assessment criteria for performance evaluation of Chairperson

The broad parameters for reviewing the performance of Chairperson of the Board are:
Managing relationship with the members of the Board and management;

- Demonstration of leadership qualities;
- Relationship and communication within the Board;
- Providing ease of raising of issues and concerns by the Board members; and
- Promoting constructive debate and effective decision making at the board;
- Relationship and effectiveness of communication with the shareholders and other stakeholders;
- Promoting shareholder confidence in the Board and
- Personal attributes i.e. Integrity, Honesty, Knowledge etc.

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 and statutory laws. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.
