

# MUKAND ENGINEERS LIMITED

## Performance Evaluation Criteria for Board, Committees of Board, Independent & Non Independent Directors

### 1. Background:

The criteria for evaluation for performance of the Board, its Directors and Committees is formulated by the Nomination & Remuneration Committee (the "Committee") of the Board of Directors (the "Board") of the Company, in compliance with the requirements of Section 134 read with Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement amended vide circulars of the Securities and Exchange Board of India (SEBI) dated April 7, 2014 and September 15, 2014. The said evaluation criteria was approved and adopted by the Board of Directors of the Company at its meeting held on 11th February, 2015

SEBI has come out with a Guidance Note on 5th January, 2017 on Board Evaluation, which inter- alia provides that this is to serve as a Guide for listed entities and is to be adopted as considered appropriate.

Accordingly, taking into account the said Guidance Note & other applicable legal provisions, the revised criteria for Performance Evaluation, as recommended by the Nomination & Remuneration Committee was approved and adopted by the Board of Directors of the Company at its meeting held on 14th February, 2018 as under:

### 2. Objectives of Performance Evaluation:

For a Company to perform well, one of the most important requirements is to have a balanced and knowledgeable Board of Directors. Stakeholders require assurances regularly that the boards are well equipped to perform their duties diligently and in the interests of the company and its stakeholders.

In order to provide such assurances, the company needs to put in place processes to periodically review the performance of the Board, Committees, Chairperson and the individual directors. With this broad objective in view, the Company has set up as provided herein a robust Board Evaluation Process / System in the Company.

Other objectives of the Company's Board Evaluation System are: -

- To enhance transparency and accountability;
- To move on the path of continual improvement; and
- To remove gaps, if any, seen in strategic, business and governance functions in the Company and its Board.

### 3. Criteria for Performance Evaluation:-

To carry out performance evaluation of Board, Committees, Chairperson and Directors, criteria to be considered would *inter-alia* include the following:

#### **Part A – For Board & Committees of the Board**

- a. Composition with requisite number of Independent Directors (and woman director in the case of Board);
- b. Frequency of Meetings;

- c. Discharge of the key functions prescribed under law
- d. Monitoring the effectiveness of corporate governance practices
- e. Ensuring the integrity of the company's accounting and financial reporting systems, independent audit, internal audit and risk management systems (for Board & Audit Committee);
- f. Working in the interests of all the stakeholders of the company.

**Part B – For Directors:**

- a. Attendance and Participation;
- b. Pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition;
- c. Maintaining confidentiality;
- d. Acting in good faith and in the interests of the company as whole;
- e. Exercising duties with due diligence and reasonable care ;
- f. Complying with legislations and regulations in letter and spirit;
- g. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion;
- h. Maintaining relationships of mutual trust and respect with Board members;
- i. Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.

**Part C – For Independent Directors:**

- a. Independence & Independent views and judgment

**Part D – For Chairperson:**

- a. Effectiveness of leadership and ability to steer the meetings
- b. Impartiality
- c. Commitment
- d. Ability to keep shareholders' interests in mind.

The evaluation shall be done by the Board, by the Nomination & Remuneration Committee and by the independent directors, in their separate meeting, as prescribed under the applicable laws.

**4 Reviews of the Criteria**

The aforesaid performance evaluations are subject to review from time to time. The review will be generally done once in 3 (Three) years.

The Committee and/ or Board may review, alter, amend or modify the criteria from time to time in line with the requirement of the Companies Act, 2013, SEBI Regulations or any other statutory provisions applicable to the Company.

**(The above policy is approved by the Board of Directors at their Meeting held on 14<sup>th</sup> February, 2018)**

Date: 14<sup>th</sup> February, 2018  
Place: Mumbai

Sd/-  
Rajesh V. Shah  
**Chairman**  
**(DIN:00033371)**