



## **BOARD PERFORMANCE EVALUATION POLICY**

### **INTRODUCTION**

M.K. EXIM (INDIA) LIMITED (hereinafter referred to as “the Company”) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Company’s Code of Conduct Policy for its Board of Directors and Senior Management Personnel. The honesty, integrity and sound judgment and performance of the Directors and the Senior Management are key criteria for the success and for building a good reputation of the Company. Each Director and executive in the Senior Management is expected to comply with the letter and spirit of this Policy. Any actual or potential violation of this Code by the Board Directors would be the matter of serious concern for the Company. Therefore, the Company has made this policy for formal annual evaluation by the Board of Directors of its own performance (self-appraisals) and that of its committees and individual Directors as mentioned under the Clause (p) of sub section (3) of Section 134 of the Companies Act, 2013. The Nomination & Remuneration Committee shall evaluate the performance of each Board of Director as per sub-section (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per Section 149) annexed to the Companies Act, 2013 and the Rules made thereunder.

### **DEFINITIONS**

- **“Act”** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- **“The Company”** shall mean M.K. EXIM (INDIA) LIMITED.
- **“The Director”** or **“the 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.
- **“The Independent Director”** shall mean an Independent Director as defined under Section 2 (47) read with section 149 (6) of the Act.
- **“The Policy”** or **“This Policy”** shall mean the Board Performance Evaluation Policy of the Company.
- **“The Committee”** or **“This Committee”** shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.



# *M. K. Exim (India) Limited*

CIN No.L63040RJ1992PLC007111

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## **OBJECTIVE**

The Board is ultimately responsible for the sound and prudential management of the Company. Performance evaluation is the process of both formally and informally providing feedback about an individual's implementation of his / her responsibilities. The Object of this policy is to formulate procedures and also to prescribe and lay down the criteria to evaluate the performance of:

- 1) Board as a whole
- 2) Committees of the Board
- 3) Individual Directors and Chairperson (including Chairperson, CEO, Independent Directors, Non-independent directors, etc.)

## **VARIOUS KINDS OF PERFORMANCE EVALUATION**

### **A. EVALUATION OF THE PERFORMANCE**

#### **❖ Evaluation of Individual Directors**

- ✓ 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.
- ✓ In carrying out its evaluation, the Board and/ or the Nomination and Remuneration Committee, shall keep in mind the evaluation parameters: (i) with respect to all Directors other than the Independent Directors and Chairperson; (ii) with respect to the Independent Directors; and (iii) with respect to the Chairperson of the Company.
- ✓ While evaluating the performance of individual Directors, the Nomination and Remuneration Committee 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, the Nomination and Remuneration Committee 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.
- ✓ In addition, the Independent Directors shall hold a meeting at least once in any given 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; and (ii) the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors, and the evaluation parameters. All Independent Directors shall strive to attend such meeting.



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## ❖ Evaluation of the Board

- ✓ The Board shall, on an annual basis, evaluate its own performance keeping in mind the evaluation parameters.
- ✓ In addition, the Independent Directors, in the meeting referred 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; 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.
- ✓ Board evaluation shall also consider whether the skills and competencies as disclosed in the Board Skill Matrix are adequate and effectively utilized.

## ❖ Evaluation of the Board Committees

- ✓ The Board shall, on an annual basis, evaluate the performance of each Board Committee as per the evaluation parameters.

## **B. EFFECTIVENESS OF THE BOARD**

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Reappointments and Removal of the non-performing Directors of the Company.

## **SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS**

Evaluation of the Directors of the Company shall be carried out by entire Board except the Director being evaluated. The meeting for the purpose of evaluation of performance of Board Members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Nomination and Remuneration Committee for performance evaluation on its website for the reference and also in the Annual Report of the Company.

## **CRITERIA FOR EVALUATION OF PERFORMANCE**

The criteria for evaluation include quantitative questions along with an option to provide qualitative comments. Each of the questions have the following five options:

| <b>Strongly disagree</b> | <b>Disagree</b> | <b>No opinion</b> | <b>Agree</b> | <b>Strongly Agree</b> |
|--------------------------|-----------------|-------------------|--------------|-----------------------|
| 1                        | 2               | 3                 | 4            | 5                     |



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## **FEEDBACK**

The Chairman or any person suitably appointed by the Board shall give [a written assessment / oral feedback] 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.

## **AMENDMENTS**

The Company reserves its right to amend or modify this Policy as may be considered appropriate at any time.

**For M.K. Exim (India) Limited**

**Sd/-**

**MANISH MURLIDHAR DIALANI**

**Managing Director**