

MINAL INDUSTRIES LIMITED

CIN: L32201MH1988PLC216905

Registered office: 603- I Minal Co-Op Hsg So Ltd, Off Sakivihar Road, Andheri-East Mumbai - 400072

Tel No. 022: 40707070; Email Id: cmseepz@gmail.com; Website: www.minalindustrieslimited.in

PERFORMANCE EVALUATION POLICY

INTRODUCTION

In an endeavor to safeguard the interest of public at large, the Companies Act, 2013 ('Act') provides that the performance of the board of directors of listed companies and prescribed class of companies must be reviewed regularly against appropriate measures. For this purpose, the Nomination and Remuneration Committee of a company is required under Section 178 of the Act to formulate a policy for recommending it to the Board of directors of the company, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Based on such performance evaluation, remuneration of directors, key managerial personnel and employees shall be determined. 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 directors' performance and formulating the criteria for determining qualification, positive attribute and independence of each and every director of the Company in order to effectively determine issues relating to remuneration of every director, key managerial personnel and other employees of the Company.

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.

For this purpose, the Nomination and Remuneration Committee shall be responsible to identify the persons who are qualified to become directors and who may be appointed in the senior management of the Company and recommend to the Board their appointment and removal.

In addition, the Nomination and Remuneration Committee shall carry out the evaluation of performance of every director, key managerial personnel and other employees in accordance with the criteria contained herein, based on which their remuneration shall be determined.

RESPONSIBILITY OF BOARD

It shall be the duty of the Chairman of the Board, who shall be supported by the Company Secretary to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings. The Board of Directors shall undertake the following activities on an annual basis:

- I. The Chairman of the Company shall meet with each and every director individually to discuss his / her performance throughout the year.
- II. Review performance evaluation reports submitted by the Chairperson of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirement of establishing any new committees shall be reviewed by the Board on an annual basis.

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- III. Review the various strategies of the Company and accordingly set the performance objectives for directors, in consistency with varying nature and requirements of Company's business.
- IV. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

In conformity with the requirement of the Act, the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

RESPONSIBILITY OF INDEPENDENT DIRECTORS

Independent Directors shall evaluate the performance of non-independent directors and board as a whole. The independent directors of the Company shall hold at least one meeting in a year to review the performance of the non-independent directors, performance of chairperson of the Company and board as a whole, taking into account the views of executive directors and non-executive directors.

EVALUATION FACTORS

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of independent directors, non-independent directors, other employees of the Company and committees of directors separately, as, such evaluation factors may vary in accordance with their respective functions and duties.

INDEPENDENT DIRECTORS

- Compliance with Articles of Association, Companies Act & other Laws
- Compliance with ethical standards & code of conduct of Company
- Assistance in implementing corporate governance practices
- Rendering independent unbiased opinion
- Attendance & presence in meetings of Board & committees
- Attendance & presence in general meetings
- Leadership qualities
- Qualifications
- Disclosure of non-independence, if exists
- Independent view on key appointments & strategy formulation
- Objective evaluation of Board's performance
- Review of integrity of financial information & risk management
- Safeguard of stakeholders' interests

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- Appointment & removal of KMPs
- Determination of level of remuneration of KMPs
- Updation of skills and knowledge
- Punctuality
- Information regarding external environment
- Seeking expert opinion, when required
- Raising of concerns to the Board
- Safeguarding interest of whistle-blowers under vigil mechanism
- Reporting of frauds, violation etc.
- Team work attributes
- Safeguard of confidential information

NON –INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS

- Compliance with Article of Association, Companies Act & other laws
- Strategic planning-financial & business
- Operational performance of the Company
- Monitoring performance against plans
- Steps initiated towards Business Development
- Steps initiated towards Branding of the Company
- Compliance with ethical standards & code of conduct
- Exercising duties diligently
- Qualifications
- Punctuality
- Disclosure of interest
- Leadership skills
- Motivating employees, providing assistance & directions
- Establishment of internal control processes
- Communication skills
- Attendance & presence in meetings of Board & committees
- Attendance of general meetings
- Team work attributes
- Monitoring policies, encouraging suggestions
- Supervising & training the staff members

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- Safeguard of confidential information

COMMITTEES OF BOARD

The Board has constituted the following committees:

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Nomination and Remuneration Committee;

For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspects:

- Compliance with Article of Association, Companies Act & other laws
- Compliance with its charter documents
- Compliance with ethical standards & code of conduct of Company
- Committee's accomplishments w.r.t. performance objectives
- Redressal of complaints & grievances
- Coordination with other committees and Board of Directors
- Fulfillment of roles & responsibilities
- Adherence to Company's policies and internal procedures

COMPANY SECRETARY

- Compliance with Article of Association, Companies Act & other laws
- Compliance with ethical standards & code of conduct of Company
- Reporting to the Board about compliance with applicable laws
- Ensuring compliance with secretarial standards
- Assistance to the board of directors
- Discharge of duties assigned by Board
- success of meetings convened
- Preparation of minutes
- Attendance & presence in meeting of board, committees of Board and general meeting
- Assistance in obtaining required approvals form Board, shareholders, Government and other authorities
- Representation before various regulators on behalf of the company
- Advising Board on corporate governance and compliance thereunder
- Punctuality

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OTHER KEY MANAGERIAL PERSONNEL AND SENIOR EMPLOYEES

- Compliance with Article of Association, Companies Act & other laws
- Compliance with ethical standards & code of conduct of Company
- Fulfillment of roles and responsibilities granted to them
- Achievement of target fixed
- Punctuality and other personality related aspects

REMUNERATION

The Company aspires to pay performance linked remuneration to its directors, key managerial personnel and other senior employees. For this reason, based on the fore-stated criteria of evaluation of performance of directors (independent as well as non-independent directors), Company Secretary and other Key Managerial Personnel and senior employees, their remuneration shall be determined and reviewed from time to time by the Chairman & Managing Director, or the Chief Executive Officer.

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

DISCLOSURE

In accordance with the requirement under the Companies Act, 2013, Rules made thereunder and Listing Agreement, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors.

The Company shall disclose the evaluation criteria in its Annual Report.