



# PERFORMANCE EVALUATION POLICY

FCS SOFTWARE SOLUTIONS LIMITED

Approved By	BOD	Issued By	Nomination & Remuneration Committee on 13/02/2020
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## INTRODUCTION

The Board of directors on the recommendation of the Nomination and Remuneration Committee approved the Performance Evaluation Policy in its Board meeting held on 13/02/2020.

In an endeavor to safeguard the interest of the Company and as prescribed under section 178 of the Companies Act, 2013 ('Act') based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ("the Board") of FCS Software Solutions Limited ("the Company" or "FCS") has formulated a policy setting out the criteria for the performance of directors including the performance of the Board as a whole. Based on the performance evaluation to be carried out by the Board, 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.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this Board Performance Evaluation process aims to ensure that individual directors ("Directors") and the Board of Directors of the Company ("Board") as a whole work efficiently and effectively in achieving Company's objectives. This policy aims at establishing a procedure for the Board to conduct periodic evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

## EFFECTIVENESS OF THE BOARD

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

## RESPONSIBILITY OF THE BOARD/INDEPENDENT DIRECTOR

It shall be the duty of the Company 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.

Approved By	BOD	Issued By	Nomination & Remuneration Committee on 13/02/2020
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**The Board of Directors shall undertake the following activities on an annual basis:**

1. Review the various strategies of the Company and accordingly set the performance objectives for directors, consistent with the varying nature and requirements of Company's business.

2. 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 all the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

Independent Directors are required to 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 exercise the functions as mentioned in Act and its applicable Schedules.

**EVALUATION FACTORS**

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation parameters, various descriptors have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors, as such evaluation factors may vary in accordance with their respective functions and duties. The evaluation scale is a simple five point scale i.e. Very Good (1), Good (2), Average (3), Satisfactory (4) and Non- Satisfactory (5)

Appraisal of each Director of the Company by the other Directors shall be based on the criteria as mentioned herein below.

**RATING SCALE**

Approved By	BOD	Issued By	Nomination & Remuneration Committee on 13/02/2020
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SCALE	PERFORMANCE
1	Very Good
2	Good
3	Average
4	Satisfactory
5	Non-Satisfactory

The Company has chosen to adopt the following Board Performance Evaluation Process:

**INDEPENDENT DIRECTORS**

Some of the specific issues and questions that should be considered in a performance evaluation of Independent Director, in which the concerned director being evaluated shall not be included, are set out below:

*Name of Director being assessed:* \_\_\_\_\_

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Attendance and participations in Board and Committee meeting actively and consistently		
2.	Raising of concerns to the Board		
3.	Safeguard of confidential information		
4.	Rendering independent, unbiased opinion and resolution of issues at meetings		
5.	Initiative in terms of new ideas and planning for the Company		
6.	Safeguarding interest of whistle-blowers under vigil mechanism		
7.	Timely inputs on the minutes of the meetings of the Board and Committee's, if any		
8.	Independence from the entity and other directors		
9.	Exercises his/her own judgment and voices opinion freely		

Approved By	BOD	Issued By	Nomination & Remuneration Committee on 13/02/2020
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**NON – INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS**

Some of the specific issues and questions that should be considered in a performance evaluation of Chairperson/Non-Independent Director / Executive Director by Independent Directors, in which the concerned director being evaluated shall not be included, are set out below:

*Name of Director being assessed:* \_\_\_\_\_

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Leadership initiative		
2.	Initiative in terms of new ideas and planning for the Company		
3.	Professional skills, problem solving, and decision-making		
4.	Compliance with policies of the Company, ethics, code of conduct, etc.		
5.	Reporting of frauds, violation etc.		
6.	Safeguarding of interest of whistle blowers under vigil mechanism		
7.	Timely inputs on the minutes of the meetings of the Board and Committee, if any		
8.	Independence from the entity and other directors		
9.	Exercises his/her own judgment and voices opinion freely		

**BOARD OF DIRECTORS**

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by Independent Directors are set out below:

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	The Board of Directors of the company is effective in decision		

Approved By	BOD	Issued By	Nomination & Remuneration Committee on 13/02/2020
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S. No.	Assessment Criteria	Rating	Remarks/Comments
	making.		
2.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.		
3.	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
4.	The Board reviews the organization's performance in carrying out the stated mission on a regular basis.		
5.	The Board of Directors is effective in providing necessary advice and suggestions to the company's management.		
6.	Is the board as a whole up to date with latest developments in the regulatory environment and the market?		
7.	The information provided to directors prior to Board meetings meets your expectations in terms of length and level of detail.		
8.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		
9.	The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the board.		
10.	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.		
11.	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance.		
12.	The board considers the independent audit plan and provides recommendations.		

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**COMMITTEES OF BOARD**

The Board has constituted the following committees:



For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspects as set out in the annexure below:

S. No	<u>Audit Committee (for Audit Committee members only)</u>	Rating	Remarks/ Comments
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## Performance Evaluation Policy

1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	Timely inputs on the minutes of the meetings		

S. No.	<u>Nomination and Remuneration Committee (For Nomination and Remuneration Committee members only)</u>	Rating	Remarks/Comments
1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	Timely inputs on the minutes of the meetings		

S. No.	<u>Stakeholders Relationship Committee (For Stakeholders Relationship Committee members only)</u>	Rating	Remarks/Comments
1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	Timely inputs on the minutes of the meetings		

S. No.	<u>Corporate Social Responsibility Committee (For Corporate Social Responsibility Committee members only)</u>	Rating	Remarks/Comments
1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	Timely inputs on the minutes of the meetings		

### KEY MANAGERIAL PERSONNEL AND SENIOR EXECUTIVES

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For evaluating the performance of Key Managerial Personnel and other Senior Executives, the Board of Directors shall pay regards to the following aspects as set out below:

*Name of person being assessed:* \_\_\_\_\_

S. No.	Assessment Criteria	Rating	Remarks/Comments
1.	Abidance and behavior in accordance with ethical standards & code of conduct of Company		
2.	Interpersonal and communication skills		
3.	Compliance with policies of the Company, ethics, code of conduct, etc.		
4.	Safeguarding interest of whistle-blowers under vigil mechanism		
5.	Team work attributes		
6.	Safeguard of confidential information		

## REVIEW

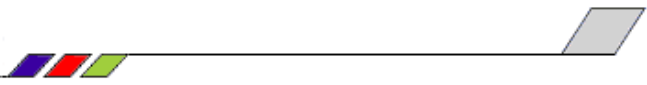
The performance evaluation process will be reviewed annually by the “Nomination and Remuneration Committee”.

Subject to the approval of Board of Directors, the Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

## DISCLOSURE

Company will disclose details of its Board Performance Evaluation processes in its Board’s Report. The Board’s report containing such statement shall indicate the manner in which formal evaluation has been made by the Board of its own performance and that of the committees of the Board and individual directors of the Company.

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