



# **ECS BIZTECH LIMITED**

## **Board Diversity Policy**

### **REGISTERED OFFICE:**

**B-02, THE FIRST, ECS CORPORATE HOUSE,**  
**B/H. KESHAVBAUG PARTY PLOT,**  
**OFF 132 FT. RING ROAD, VASTRAPUR,**  
**AHMEDABAD - 380 015**  
**GUJARAT, INDIA.**

**Preface:**

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, listing agreement with stock exchange, 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 judgement on an informed basis and in the best interest of the Company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of Section 178 of the Companies Act, 2013 which provides that a policy is to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. 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.

**Objectives:**

The Performance Evaluation Policy ("**the Policy**") aims to maintain a proactive and effective Board. As one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this Performance Evaluation Policy of ECS Biztech Limited ("**the Company**") aims to ensure that individual directors ("**the Directors**") and the Board of Directors of the Company ("**the Board**") as a whole work efficiently and effectively in achieving Company's objectives.

The purposes of this policy are as under:

- Improving the performance of Board towards corporate goals and objectives.
- Assessing the balance of skills, knowledge and experience on the Board.
- Identifying the areas of concern and areas to be focused for improvement.
- Identifying and creating awareness about the role of Directors individually and collectively as Board.
- Building Team work among Board members.
- Effective Coordination between Board and Management
- Overall growth of the organization.

**Policy Statement:**

The 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 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.

**Responsibility of the Board:**

It shall be the duty of the chairperson of the Board, who shall be supported by a 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;

- 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.
- To carry out performance evaluation of various committees on each of evaluation factor and review the performance 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.
- Evaluation of every Independent Director shall be carried on by the entire Board of Directors of the Company, except the Director getting evaluated, on each of evaluation factor.
- Review the various strategies of the Company and accordingly set the performance objectives for directors.
- Ensure that adequate disclosure is made with regard to performance evaluation in the Board's Report.

#### **Responsibility of the Nomination & Remuneration Committee:**

It shall evaluate the performance of every Individual Director of the Company on each of evaluation factor as the case may be.

#### **Responsibility of Independent Directors:**

Independent Directors are duty bound to evaluate the performance of every 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 non-independent directors, performance of the chairperson of the Company and Board as a whole, taking into account the views of executive directors and non-executive directors.

The Independent Directors at their separate meetings shall;

- Review the performance of every non-independent directors and the Board as whole on each of evaluation factor, as the case may be;
- Review the performance of the Chairperson of the Company on each of evaluation factor as provided in Annexure VI, taking into account the views of executive directors and non-executive directors;
- 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.

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

#### **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**

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:

#### 1. 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: \_\_\_\_\_

Sr 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 judgement and voices opinion freely		

## 2. 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: \_\_\_\_\_

Sr 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 judgement and voices opinion freely		

## 3. Board of Directors

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

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

The Board has constituted the following committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Relationship Committee

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:

Sr No.	Audit Committee (for Audit Committee members only)	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.		

Sr No.	Nomination and Remuneration Committee (For Nomination and Remuneration Committee members only)	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		
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Sr No.	Stakeholder's Committee (For Relationship Committee members only)	Relationship Stakeholders	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.			

**Disclosure:**

In accordance with the requirement under the Act, disclosure 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' performance will be made by the Board of Directors in the Board's Report. Further, the Board's Report containing such statement will be made available for the review of shareholders at the general meeting of the Company.

The key features of this policy have also been included in the corporate governance statement contained in the annual report of the Company.

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