



Fusion CX Limited

POLICY FOR PERFORMANCE EVALUATION OF BOARD OF DIRECTORS



Document Control Information

Regulatory Framework	Under section 178(2) of the Companies Act, 2013 and Pursuant to Regulation 19(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as
Approval Authority	Nomination, Remuneration and Compensation Committee and Board of Directors
Date of Approval	8 th May, 2025
Effective Date	8 th May, 2025
Corporate Details	Fusion CX Limited (CIN: U72900WB2004PLC097921) Plot No. Y9, Block EP & GP, Sector-5, Bidhan Nagar, Salt Lake, Kolkata, KOLKATA, West Bengal, India, 700091
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1 Preamble

Pursuant to Section 178(2) of the Companies Act, 2013, the Nomination and Remuneration Committee is required to establish the methodology for evaluating the performance of the Board, its Committees, and individual Directors and ensure its implementation and compliance. This evaluation may be conducted by the Board, the Nomination and Remuneration Committee, or an independent external agency.

Part VII of Schedule IV mandates independent directors to assess the performance of non-independent directors and the Board as a whole. They must also review the performance of the Chairperson, considering feedback from executive and non-executive directors.

Regulation 17(10) of SEBI (LODR) Regulations, 2015, specifies that independent directors must be evaluated by the Board, excluding the directors being assessed.

Section 134(3)(p) of the Companies Act, 2013, mandates the Directors' Report to disclose the methodology used for formal annual performance evaluations of the Board, its Committees, and individual Directors.

Based on the recommendation of the Nomination and Remuneration Committee ("Committee"), the board of directors (the "Board") of Fusion CX Limited ("Company") has adopted this policy on evaluation of independent directors and the board of directors ("Policy") to comply with the various provisions under Regulation 19 and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013 ("Act").

The Policy, as approved by the Board on (provide board meeting date) shall be applicable to the Company with effect from (provide effective date).

2 Definitions

For the purpose of this policy: (a) "Board" refers to the Board of Directors of the Company; (b) "Policy" means this policy, as amended periodically; (c) "Committee" means the Nomination and Remuneration Committee of the Board; (d) "Companies Act" refers to the Companies Act, 2013, along with applicable rules; (e) "Director" means a member of the Board; (f) "Company" means Fusion CX Limited.

Words and expressions not defined herein shall have the meanings assigned in SEBI Listing Regulations, the SEBI Act, 1992, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, or the Companies Act and associated rules.

3 Evaluation Mechanism

The Committee shall conduct annual evaluations of:

- The Board as a whole;
- Committees of the Board;

- Individual Directors, including the Chairperson.

4 Criteria for Evaluation

Assessment Criteria: Rating (1-Excellent, 2-Very Good, 3-Good, 4-Average, 5-Poor)

4.1 Board as a Whole

#	Assessment Criteria	Rating
1	Competency of directors: Proper mix of competencies to conduct affairs effectively.	
2	Experience of directors: Sufficient experience to conduct affairs effectively.	
3	Mix of qualifications: Proper mix of qualifications to conduct affairs effectively.	
4	Diversity in Board: Gender/background/competence/experience diversity.	
5	Appointment process: Clear, transparent, and considers diversity factors.	
6	Regularity of meetings: Meetings are held regularly.	
7	Agenda quality: Agenda meets expectations for length, detail, and preparation.	
8	Discussions and dissent: Comprehensive discussions, addressing conflicts of interest.	
9	Recording of minutes: Proper recording, circulation, and inclusion of dissenting views.	
10	Strategy and performance evaluation: Focus on current and strategic issues.	
11	Governance and compliance: Time devoted to governance and compliance analysis.	
12	Evaluation of Risks: Regular review of high-risk issues.	
13	Grievance redressal: Regular review of grievance mechanisms.	
14	Board evaluation review: Monitoring and reviewing evaluation frameworks.	
15	Facilitation of independent directors: Supporting their roles effectively and constructively.	

4.2 Committees of the Board

#.	Assessment Criteria	Rating
1	Defined mandate, composition, and compliance with applicable laws.	
2	Fulfillment of assigned functions as per Board directives and legal requirements.	
3	Adequate number of meetings with appropriate duration for agenda consideration.	
4	Quality of pre-meeting information, preparation, and handling of conflicts of interest.	
5	Effectiveness of recommendations and contributions to Board decisions.	

4.3 Individual Directors and Chairperson

4.3.1 Non-Executive Directors

Sr. No.	Assessment Criteria	Rating
1	Attendance at Board and Committee meetings.	
2	Participation in meetings.	
3	Leadership initiatives and strategic planning.	
4	Adherence to ethical standards and Code of Conduct.	
5	Compliance with policies, reporting violations, and disclosures.	
6	Contribution to company growth against targets.	
7	Interpersonal relations with other directors and management.	
8	Safeguarding confidential information.	

4.3.2 Independent Directors

#	Assessment Criteria	Rating
1	Attendance at Board and Committee meetings.	
2	Participation in meetings.	
3	Understanding of the company and external environment and strategic contributions.	
4	Adherence to ethical standards, Code of Conduct, and disclosure of non-independence.	
5	Raising concerns and constructive issue resolution.	
6	Contribution towards growth, including actual vs budgeted performance.	
7	Interpersonal relations with other directors and management.	
8	Objective evaluation and rendering of independent, unbiased opinions.	
9	Safeguarding confidential information.	
10	Contribution to enhancement of the company's brand image.	

4.3.3 Chairman

#	Assessment Criteria	Rating
1	Attendance at Board and Committee meetings.	
2	Participation in Board and Committee meetings.	
3	Leadership, coordination, and steering skills.	
4	Commitment to Board activities.	
5	Adherence to ethical standards and Code of Conduct.	
6	Impartiality in conducting discussions and addressing dissent.	
7	Focus on shareholder interests and decision-making.	
8	Interpersonal relations with other directors and management.	
9	Safeguarding confidential information.	
10	Leadership efficiency, professionalism, and ability to steer meetings effectively.	

4.3.4 Non-Independent Directors / Managing Director / Other Directors

Some of the specific issues and questions that should be considered in a performance evaluation of Non- Independent Director / MD/ Other Directors are set out below:

S. No.	Assessment Criteria
1	Attendance, participations in the Board meetings and timely inputs on the minutes of the meetings
2	Contribution towards growth of the Company including actual vs budgeted performance
3	Leadership initiative, like new ideas and planning for the growth of the Company and steps initiated for branding of the Company
4	Adherence to ethical standards and code of conduct of Company
5	Team work attributes and supervising and training of staff members
6	Compliance with policies, reporting of frauds, violation etc. and disclosure of interest
7	Safeguarding of interest of whistle blowers under vigil mechanism and safeguarding of confidential information

Based on the above criteria each of the Non-Independent Directors / MD / Other Directors has to be assessed by giving a rating as mentioned above. The total number of ratings awarded will be averaged over the number of persons who have awarded the rating.

This process of evaluation shall be done by the entire Board excluding the director who is being evaluated, and the Nomination and Remuneration Committee. Assistance in handling the process will be provided by a person so authorized by the Board, and for this purpose, the person will report to the Board.

4.3.5 Board of Directors

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

S. No.	Assessment Criteria
1	Is the composition of the Board appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy?
2	Members of the Board meet all applicable independence requirements

S. No.	Assessment Criteria
3	The Board is effective- in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations
4	The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfil its responsibilities.
5	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law and the Board is provided with sufficient information about material risks and problems that affects the Company's business and prospects.
6	The Board receives regular financial updates and takes all necessary steps to ensure the operations of the organization are sound and reviews the organization's performance in carrying out the stated mission on a regular basis.
7	Are sufficient numbers of Board meetings, of appropriate length, being held to enable proper consideration of issues?
8	The information provided to directors prior to Board meetings meets expectations in terms of length and level of detail and Board members come prepared to meetings and ask appropriate questions of management and address issues that might present a conflict of interest.
9	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution.
10	The Chairman of the Board effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.
11	Nomination and appointment of Board members and their remuneration follow clearly established procedures using known criteria as laid down by the Nomination and Remuneration Committee.
12	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 (through its audit committee).
13	Company has a system for corporate social responsibility, stakeholder relationships and for prohibition of insider trading.
14	Company has necessary Committees which are required and these Committees are working effectively.

Based on the above criteria the Board has to be assessed by giving a rating as mentioned above. The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings. The process of evaluation shall be done by Independent Directors only. Assistance in the



process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

Notwithstanding the criteria set out above, the Board, as applicable, shall also be guided by the criteria provided under the guidance note on Board evaluation dated January 5, 2017 bearing reference number SEBI/HO/CFD/CMD/CIR/P/2017/004 issued by SEBI and a guide to Board evaluation dated August, 2020 issued by the Institute of Company Secretaries of India, as amended from time to time.

5 Method of Evaluation

The method of evaluation shall be Internal Assessment:

- a. The Board will review its own performance and the performance of its committees and individual directors.
- b. The Nomination and Remuneration Committee shall evaluate the performance of the Board as a whole, its committees (excluding itself), and individual directors.
- c. Independent Directors will review the Board as a whole, Non-Independent Directors, and the Chairperson. Assessments will include detailed questionnaires enabling confidential feedback.

The internal assessment will be done by a detailed Questionnaire circulated to individual directors, Committees, Board, etc. If deemed fit, the questionnaire may enable written answers to be submitted on a confidential basis. If, due to various reasons, members are not willing to provide written inputs, the Chairperson or any other person may take the initiative and obtain the views of such members on a confidential basis.

6 Confidentiality

The discussions held during the Committee meeting are to be kept confidential among those who attend the meeting. The written evaluation results are not public records. They will be kept in the confidential personnel file of the Independent Director and the Board of Directors.

7 Review

The performance evaluation process and related tools will be reviewed by the Nomination and Remuneration Committee on need basis, and the Committee may periodically seek independent external advice in relation to the process.

The Committee may amend the 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.

8 Disclosure

The Company will disclose details of its Board Performance Evaluation processes in its Board's Report and the key features of this Policy would also be included in the corporate governance statement contained in the annual report of the Company.

Further, the Board's report containing such statement will be made available to shareholders at the general meeting of the Company.

9 Feedback

Written assessments will be unbiased and honest, based on criteria and rating scales.

10 Action Plan

Responses will guide action plans for improvements, training, and skill-building.

11 Frequency of Board Evaluation

Evaluations will be conducted annually.

12 Effective Date

This policy takes effect on 8th May, 2025.

Date: 8th May, 2025

Place: Kolkata