



BOARD OF DIRECTORS' EVALUATION FRAMEWORK

FSN E-COMMERCE VENTURES LIMITED

All rights reserved by FSN E-Commerce Ventures Ltd. and its subsidiaries. No part of this may be copied, reproduced, stored in any retrieval system, or transmitted in any form or by any means either electronically, mechanically, or otherwise without prior written permission.



Table of Contents

1. INTRODUCTION	2
2. OBJECTIVE	2
3. REGULATORY FRAMEWORK	2
4. EVALUATION GUIDELINES	3
5. POLICY REVIEW	4
6. RESPONSIBILITY	4
7. DISCLOSURES	4
8. VERSION HISTORY	4
9. ANNEXURE 1	5

1. INTRODUCTION

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) contain broad provisions on Board Evaluation i.e., evaluation of the performance of: (i) the Board as a whole, (ii) individual directors (including independent directors and Chairperson) and (iii) various Committees of the Board. The provisions also specify responsibilities of various persons / committees for conduct of such evaluation and certain disclosure requirements as a part of the listed entity's corporate governance obligations.

The Board of directors (the “Board”) of FSN E-Commerce Ventures Limited (“Company”) has, basis the recommendation of the Nomination and Remuneration Committee (‘NRC’), adopted this Board of Directors’ Evaluation Framework (“Policy”) on September 27, 2021, to comply with the various provisions under Regulation 19 read with Schedule II of the SEBI LODR Regulations and the Companies Act, 2013.

The Policy is based on the SEBI circular dated January 5, 2017, which provides further clarity on the process of board evaluation (“SEBI Guidance Note”).

This policy shall come into effect from the date of listing of equity shares of the company on the stock exchanges.

2. OBJECTIVE

The purpose of the Board Evaluation Framework is enumerated below:

- I. To ensure corporate governance standards are maintained
- II. To facilitate the identification of the areas of concern and the areas to be focussed upon for enhancing the functioning of the Board.
- III. To create awareness about the role of Directors individually, and collectively as a Board.
- IV. To steer the Board in direction of achieving the Company's Mission and Vision.

3. REGULATORY FRAMEWORK

The main provisions of Companies Act, 2013 and SEBI LODR Regulations on Board Evaluation as applicable to listed entities is attached at **Annexure 1**.

Role of the NRC:

- I. NRC shall formulate criteria for evaluation of performance of independent directors and the board of directors.
- II. NRC will carry out evaluation of every director's performance.
- III. NRC will recommend to the Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

4. EVALUATION GUIDELINES

As required under SEBI LODR Regulations and Companies Act, the following will be evaluated:

- I. Board as a whole
- II. Committees of the Board
- III. Individual Directors and Chairperson (including Chairperson, Independent Directors, Non-independent directors, etc.)

4.1 Parameters of evaluation

Performance is assessed basis following parameters:

- I. Contribute to and monitor Co corporate governance practices.
- II. Commitment to the fulfilment of a director's obligations.
- III. Fiduciary responsibilities. and
- IV. Any other aspects agreed by board from time to time

4.2 Method of evaluation

The Chairperson of the Nomination and Remuneration Committee and the Board will ensure that an annual Board evaluation to assess the performance of the Board as a whole and that of individual Board members is undertaken.

4.3 Frequency of evaluation

In accordance with the provisions of SEBI LODR Regulations and Companies Act, 2013 the Board Evaluation will be done once a year.

5. POLICY REVIEW

Board evaluation is not a static process and requires periodical review for improvement. The responsibility of such review of the evaluation process will lie with the Board of Directors in accordance with SEBI LODR Regulations. Such review may be done based on feedback from management, Board members, Chairperson, etc.

6. RESPONSIBILITY

Responsibility of the Board Evaluation lies with the NRC Chairperson. The Chairperson will be supported by the Group CHRO and Company Secretary for administration and compliance of this Policy.

7. DISCLOSURES

In accordance with the requirement under the Companies Act, 2013 read with Rules made thereunder and SEBI LODR Regulations, disclosures of manner of formal annual evaluation of the Board, its committees, and individual directors and of performance evaluation criteria for independent directors will be made in the Report of Board of Directors/Annual Report.

8. VERSION HISTORY

Sr. No	Version	Created by	Approved by	Effective Date	Amendment Summary
1.	1.1	Internal	Board of Directors	10/11/2021	Framework formulated



Annexure 1

Main provisions under Companies Act, 2013 with respect to Board Evaluation:

Section 134(3)- There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include—

(p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

Section 178(2)- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carry out evaluation of every director's performance.

SCHEDULE IV OF THE COMPANIES ACT, 2013: CODE FOR INDEPENDENT DIRECTORS

II. Role and functions. (2) The independent directors shall bring an objective view in the evaluation of the performance of board and management.

V. Re-appointment: The re-appointment of independent director shall be based on report of performance evaluation.

VII. Separate meetings:

(1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management.

(2) All the independent directors of the company shall strive to be present at such meeting.

(3) The meeting shall:

(a) review the performance of non-independent directors and the Board as a whole.

(b) review the performance of the Chairperson of the company, considering the views of executive directors and non-executive directors.

(c) 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.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Rule 8 (4) of the Companies (Accounts) Rules, 2014

Every listed company and every other public company having a paid-up share capital of twenty-five crore rupees or more calculated at the end of the preceding financial year shall include, in the report by its Board of directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

Main provisions under SEBI LODR Regulations with respect to Board Evaluation

CHAPTER II:

4(2)(f)(ii): Key functions of the board of directors- (9) Monitoring and reviewing board of director's evaluation framework.

Chapter IV:

17(10): The performance evaluation of independent directors shall be done by the entire board of directors:

Provided that in the above evaluation the directors who are subject to evaluation shall not participate:

25: (3) The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

(4) The independent directors in the meeting referred in sub-regulation (3) shall, inter alia-

(a) review the performance of non-independent directors and the board of directors as a whole.

(b) review the performance of the chairperson of the listed entity, considering the views of executive directors and non-executive directors.



(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Schedule II (PART D) (A) ROLE OF NOMINATION AND REMUNERATION COMMITTEE:

Role of committee shall, inter-alia, include the following:

- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors.
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent directors.

Schedule V: Corporate Governance Report.

The following disclosures shall be made in the section on the corporate governance of the annual report.

(4) Nomination and Remuneration Committee:

- (d) performance evaluation criteria for independent directors.