

APPRAISAL AND PERFORMANCE MANAGEMENT POLICY

1. Purpose

TechnoSphere India Private Limited is committed to supporting merit-based progress and continuous employee development through a transparent, systematic, and fair performance appraisal process. This Policy provides the framework for assessing employee performance, delivering constructive feedback, linking appraisal outcomes to rewards and promotions, and offering appeal and review mechanisms.

2. Scope

This Policy applies to all employees across all roles, levels, and departments of TechnoSphere India Private Limited.

3. Policy Statement

- Performance appraisals will be conducted regularly to evaluate contributions against predefined objectives and competencies.
- Feedback cycles will be transparent, constructive, and aimed at employee growth.
- Appraisal outcomes will inform decisions on salary increments, bonuses, promotions, and developmental needs.
- The process will ensure fairness, confidentiality, and employee participation.

4. Appraisal Period

- Appraisals will be conducted [annually/bi-annually/quarterly] based on business needs.
- The appraisal cycle will include self-assessment, manager assessment, peer feedback (where applicable), and a formal review meeting.
- Key Performance Indicators (KPIs), Objectives and Key Results (OKRs), or similar metrics will be used for evaluation.

TECHNOSPHERE INDIA PRIVATE LIMITED

Registered Address: Hinjewadi, Phase2, Pune, Maharashtra, India
CIN: CIN123456789

5. Feedback Cycles

- Pre-appraisal meeting: Setting clear goals and expectations at the start of the period.
- Mid-cycle review: Informal check-in to discuss progress and address concerns.
- Final appraisal meeting: Formal review of performance against goals with documented feedback.

6. Evaluation Metrics and Rating Scale

TechnoSphere uses a five-point performance rating scale to evaluate employee performance during appraisals. The scale encompasses clear behavioral indicators and maps each rating to corresponding implications for salary increments and career progression.

Rating Score	Description	Performance Level	Increment Guidelines	Career Implications
5	Outstanding	Significantly exceeds expectations consistently	Increment: 8% - 12%+	Consideration for accelerated promotion or key projects
4	Exceeds Expectations	Consistently exceeds job requirements	Increment: 5% - 8%	Eligible for bonuses and special recognitions
3	Meets Expectations	Fully meets expectations and standards	Increment: 3% - 5%	Standard increment and eligibility for development programs
2	Needs Improvement	Occasionally falls short; requires improvement	Increment: Up to 3%, conditional on improvement	Subject to coaching, mentoring, or PIP

Rating Score	Description	Performance Level	Increment Guidelines	Career Implications
1	Unsatisfactory	Performance below acceptable standards	No increment or disciplinary action as applicable	May be considered for probation extension or termination

- Ratings reflect a cumulative assessment of quality, timeliness, teamwork, client feedback, initiative, and adherence to company values.
- Final increment percentages are subject to annual budget availability and management discretion.
- High performers (rating 5) may also be eligible for spot bonuses, leadership tracks, or stretch assignments.
- Employees with lower ratings must engage in development plans for subsequent appraisal cycles.

7. Linking Ratings to Increments and Promotions

- Increment Process: The recommended increment based on rating will be reviewed and approved by the Compensation Committee and HR.
- Promotion: Employees with sustained high performance (ratings of 4 or 5 over multiple cycles) become eligible for promotion consideration.
- Development: Employees rated 2 or below will receive support through performance improvement plans (PIPs), learning modules, or counseling.
- Appeals: Employees dissatisfied with appraisal ratings or increments may appeal within 15 days, with fair review by an independent committee.

8. Appeal and Review Process

- Employees have the right to request a review or appeal any appraisal outcome they believe is unfair or incorrect.
- Appeals must be submitted in writing within [15 days] of the final appraisal.
- An impartial review committee will assess the appeal and communicate the decision within [30 days].

- Final decisions of the review committee are binding.
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9. Roles and Responsibilities

- Employees:** Participate proactively in self-assessments, feedback discussions, and development plans.
 - Managers:** Conduct fair, transparent reviews; provide timely and constructive feedback; and support employee growth.
 - Human Resources:** Oversee the appraisal process, maintain records, ensure policy adherence, and facilitate training.
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10. Confidentiality

All appraisal information will be treated as confidential and accessed only by authorized personnel.

11. Training and Communication

Regular training will be provided to managers and employees on effective appraisal techniques and the importance of the performance management process.

12. Policy Review

This Policy shall be reviewed annually or as required by organizational or legal changes.

Approved by: Board of Directors

Effective Date: Jan 2025

Review Date: Jan 2025