

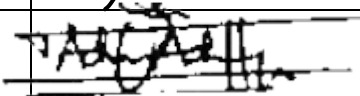


PERFORMANCE MANAGEMET POLICY

Reviews & Approvals

This Performance Management Policy document has been reviewed and approved by the undersigned:

| Designation | Signature | Date |
|--|---|----------------|
| Chairman, Signal Alliance Technology Holding |  | 15/7/2022 |
| Group Executive Director |  | 14th July 2022 |
| Group Head, Human Resources |  | 13th July 2022 |

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1.0 INTRODUCTION

Signal Alliance Technology Holding ("SATH") is committed to the continuous evaluation and monitoring of its employees' contribution to its bottom-line to achieve its strategic objectives.

This policy outlines the strategy, policies and procedures relating to performance management of SATH and the Company has adopted the principles of the Balanced Scorecard to translate its corporate strategic objectives into performance measures across its different business and functional segments.

2.0 PURPOSE

The purpose of this policy is to clearly articulate the framework to measure and reward employees' performance in order to achieve organizational objectives as contained in the strategic direction and the business model, vision and mission of the organization.

Specifically, the purposes of this policy are to:

- Align corporate and individual performance goals, standards, values and expectations
- Develop a method of measuring organizational and individual performance
- Develop an objective performance review process which will encourage all employees to continue to improve their performance
- Provide an objective basis for rewarding "high performers", and screening out poor performance
- Develop deep, specialized skills within the organization
- Maintain an efficient, effective and motivated workforce.

3.0 SCOPE

The policy covers all employees of SATH and its subsidiaries and remains the overall reference on performance related issues across the group.

This policy covers performance planning, monitoring, performance reviews, intervention as a means of resolution of performance related disputes, reward and employees' annual work plan, developmental goals and key performance indicators/critical success factors.

At SATH, performance is measured based on the achievement of set Key Performance Indicators (KPIs) underpinned by a demonstration of SATH's Values and Behaviors, reflecting our philosophy that what we achieve is equally important as how we achieve it.

4.0 PERFORMANCE MANAGEMENT FRAMEWORK

SATH's Performance Management framework is an overview of the interrelated programs which is about aligning the organizational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results. It is important to note that successful performance depends on the quality of the dialogue between the Line Manager and the employee.

Below is our Performance Management Cycle:

Fig.1



The Individual score card/KPI setting should commence once the corporate objectives have been agreed and cascaded. It is also expected that Performance should be reviewed every quarter within the year.

4.1 Goal Setting

All employees are required to discuss and agree goals/KPIs with their Line Managers on a yearly basis. The Goal Plan is designed on the BSC formula. Essentially, a goal plan or score card should have:

- ❖ Key Result Areas: (Financial; Customer; Internal Process; and People)
- ❖ Describe the objectives of each of the key activities within the key result areas
- ❖ Performance Measurement (e.g. numbers, count; percentage, revenue, etc)
- ❖ Activities – these are key tasks that will drive the achievement of objectives.
- ❖ Due date – the expected completion/delivery period of the objectives.
- ❖ Frequency of expected targets (e.g. monthly, quarterly, half-yearly or yearly)

4.1.1 The Goal Setting Approach

Goal setting is the first step in annual performance and development planning. If executed properly, goal setting is one of the most powerful ways of engaging people at work and inspiring higher levels of performance and development. The goal setting process helps employees to align their work with higher level business plans (vertical integration) as well as with people from other inter-linked teams (horizontal integration).

It also drives clarity in terms of business priorities, level of stretch and what deliverables are expected during the year.

- **Financial Perspective of KPI** – This relates to sales/revenue target for the period and it is the goal of the company to ensure that it earns returns on the investments made. Employees in turn are expected to tie this into their respective score cards, depending on the level of revenue targets allotted for their business/departments or units.
- **Customer Perspective of KPI** – This monitors how the employee intends to provide value to the customers (internal and/or external) and the level of customer satisfaction always determines the measure of success. Some major indices here may relate to number of new customers acquired, feedback from customers on service delivery, customer retention index, etc.
- **Internal Process Perspective of KPI** – This focuses on process improvements and ensuring efficiency in the delivery of outputs. The KPI in this instance must consider measures and objectives that can help the business/practice/department to run more effectively.
- **Learning & Growth/People Perspective of KPI:** This is mainly about people development and for some employees, it involves setting performance expectations around some skill, behaviour or experience area that will have the biggest impact on the employee's performance, or the performance of his/her team. For other employees, especially those within the management

cadre, this KPI would be about how well they are able to develop their people in terms of trainings, coaching, mentoring.

4.1.2 Amending Goals

Goals can be added and amended over the course of the year to make sure individual effort remains aligned with changing business priorities/realities. Such changes must have been discussed by both the employee and the Line Manager. Where there are amendments or changes in goals, adjustments should be made to the weights of the remaining goals as well as the new goal(s). However, changes to set KPIs must be done after a careful consideration, as frequent changes will not be acceptable. All changes to an initially approved KPI must be approved by the Head of department and the Group Head, Human Resources and the Chairman/Group Executive Director – if the adjustment relates to a departmental or key business objectives.

4.1.3 Weight Distribution

The total allotted weight for the balanced score card is **100%**. This is distributed into:

Financial KPIs; Customer KPIs ; Internal Process; Learning & Growth/People. The weight in each category can be spread across the various sub activities/strategic objectives based on the level of impact.

4.1.4 Line Manager KPI Approval

Upon discussion and agreement with direct reports, Line Managers are expected to approve the KPIs, bearing in mind that all key objectives have been captured and appropriate weights have been assigned to each of the goals.

4.1.5 Continuous Feedback / Check - Ins

Once the employee goals have been set, it is expected that they take ownership of their performance by seeking feedback from their Line Managers and peers (if possible) on continuous basis. The feedback on areas for development will be required in taking corrective measures towards achieving the set goals. Throughout the year, Managers should provide ongoing, forward-looking performance feedback and coaching to employees. These meetings are two-way dialogues between Line Manager and employee.

5.0 EMPLOYEE PERFORMANCE REVIEW SESSION

This is a performance review session that provides an opportunity to discuss talent and performance at a greater level of depth and focus. Each employee is represented by the Line Manager, who shall highlight the performance and accomplishments of the employee during the period under review. The performance ratings are finally calibrated in line with the standard guidelines (both at mid-year and end of year). Depending on the size of the department, each Head of Dept., and his/her leadership team will be

assisted by the HR Business Partner (or the Group Head, HR) in a Talent review session in order to get a broader view of employees' performance as well as other outcomes.

In order to ensure an objective review and to eliminate line manager's prerogative on employee's performance, the following stages will be adopted for Performance Review Process:

Stage 1: (Line Manager & Employee Feedback Session)

| Stakeholder | Pre-Session Activities | During the session | Post Feedback Actions |
|---------------------|---|--|---|
| Employee | <ul style="list-style-type: none"> Employee completes self-review assessment and sends same to Line Manager for review Schedules a feedback session with Line Manager Thinks through his/her achievements, as well as any possible feedback to be given to the Line Manager. | <ul style="list-style-type: none"> Have a copy of self-review comments and rating handy Discuss about your goals and achievements Don't be defensive Document key actions from the meeting | <ul style="list-style-type: none"> Follow through on any commitment you have made and think through your possible goals for the next cycle. |
| Line Manager | <ul style="list-style-type: none"> Schedule a time with the direct report Gather all necessary information on the performance achievements of direct report for the period, including employee's self-review ratings and comments | <ul style="list-style-type: none"> Be Open, Listen and allow employee to discuss their achievements and what have held them back. Use Open-ended questions that allow employees to express themselves Communicate tentative rating to employee (if it is end of year) | <ul style="list-style-type: none"> Write down the key points made by the employee and yourself. Insert agreed comments in the in employee's balanced score card document. |

| | | | |
|--|--|--|--|
| | | <p>review), as final rating is dependent on the outcome of final talent Review Session (stage 3)</p> <ul style="list-style-type: none"> ▪ Provide heads up for the next expectations. | |
|--|--|--|--|

Stage 2: (Employee Review Session - Departmental/Operating Business) – all employees below the Practice Leads are reviewed at this stage. The various HODs within Shared Services shall have a joint review session (chaired by the Group Executive Director) to review employees below Manager level within the Shared Services.

| Stakeholder | Pre-Session Activities | During the session | Post Feedback Actions |
|-------------|---|--|---|
| HOD | <ul style="list-style-type: none"> ▪ Agree a date and venue with the HR (An out office venue is strongly advised) ▪ HR to notify all attendees and obtain Line Managers' review comments and ratings | <ul style="list-style-type: none"> ▪ Probe any inconsistency in Line Managers' summary presentation ▪ Discuss employee's performance in order of levels, starting from the Lowest (A Line manager must exit the session whenever other employees in his/her level are being discussed. Manager level and above will be discussed at the Group Talent Review Session) ▪ Agree on key talents, succession, promotions, transfers and other internal/external moves. | <ul style="list-style-type: none"> ▪ Note your top and bottom performers; ▪ Prepare a summary of your direct reports (Practice Leads/Managers and above) ahead of the Group talent review session |

| | | | |
|--|--|--|--|
| All Line Managers/practice Leads that have direct reports | <ul style="list-style-type: none"> ▪ Conclude one-on-one session with direct reports ▪ Prepare the summary of employee's performance and rating for the period ▪ Gather other relevant evidences/feedback ahead of the departmental talent review session | <ul style="list-style-type: none"> ▪ Present each of the employee (summary of performance against goals and areas of development) and propose a rating for discussion. ▪ Receive and document immediate feedback/response from other attendees | <ul style="list-style-type: none"> ▪ Debrief direct report of the changes and additional feedback arising from the departmental review session |
| HR Representative | <ul style="list-style-type: none"> ▪ Notify all stakeholders on the review date and venue and share the agenda of the session ▪ Prepare talent insights for the department | <ul style="list-style-type: none"> ▪ Present talent insights to the departmental leadership team ▪ Play an umpire role and ensure fairness, and consistency in ratings ▪ Request that Line Managers provide evidences of decisions made on the employees' performance/ratings | <ul style="list-style-type: none"> ▪ Collate all agreed ratings and comments ahead of the Group's talent review session ▪ Keep track of key discussions: people moves, promotions, key talents, etc. |

Stage 3: (Group's Employee Review Session) - All Practice Leads and Managers are reviewed at this stage.

| Stakeholder | Pre-Session Activities | During the session | Post Feedback Actions |
|--|--|--|--|
| Heads of Subsidiaries | <ul style="list-style-type: none"> ▪ Conclude one-on-one session with direct reports (Managers and above) ▪ Prepare the summary of employee's performance and rating for the period ▪ Gather other relevant evidence/feedback ahead of the talent review session ▪ Collate the report from departmental talent review session and send to Performance Lead ahead of the talent review session. | <ul style="list-style-type: none"> ▪ Present each of your direct report (summary of performance against goals and areas of development) and propose a rating for discussion – if review is at end of year. ▪ Receive and document immediate feedback/response from other attendees ▪ Finalize on key talents, succession, promotions, transfers and other internal/external moves | <ul style="list-style-type: none"> ▪ Debrief direct report of the changes and additional feedback arising from the Group review session ▪ Follow through on other actions arising from the Group talent review session |
| Other Management team members in attendance | <ul style="list-style-type: none"> ▪ Prepare relevant feedback that will be provided on certain Managers/employees during the Group talent review | <ul style="list-style-type: none"> ▪ Contribute to the talent discussion by probing and providing insights/opinions ▪ Provide feedback on employees presented where necessary ▪ Calibrate and participate in a forced-distribution process for all employee ratings. | <ul style="list-style-type: none"> ▪ Follow through on assigned key actions from the session. |

| | | | |
|-----------------------|--|--|---|
| Group Head, HR | <ul style="list-style-type: none"> ▪ Notify all stakeholders on the review date and venue and share the agenda of the session ▪ Prepare a report on talent insights for the enterprise, including departmental performance ratings of all employees. | <ul style="list-style-type: none"> ▪ Present talent insights to the management team ▪ Play an umpire role and ensure fairness, and consistency in ratings ▪ Agree on key talent, succession, people moves, rating calibrations, etc ▪ | <ul style="list-style-type: none"> ▪ Collate all final ratings and share changes in ratings with HODs and respective Line Managers. ▪ Follow through on key actions |
|-----------------------|--|--|---|

The Group Head, HR shall from time to time, communicate the structure and composition of members for any given Talent Review session. The above stages shall be applicable at both mid-year and end of year. Participants at the Group level will also include the Chairman, SATH, as well as the Group Executive Director.

The Performance Reviews for Heads of Businesses/Departments shall be held in conjunction with the Corporate Strategy team.

The Employee Performance Review sessions are based on 4 guiding principles:

1. **Fair and consistent approach.**
2. **Challenge each other and consider all available feedback and data points.**
3. **Balance managerial judgment with evidence-based conversations.**
4. **Be a Talent Champion. Own the talent agenda beyond your own team.**

6.1. **Mid-year Employee Performance Review**

The Mid-Year Review is a great opportunity to take time out and assess the direction in which the current performance is headed for reassurance, improvement and correction, so that there are no surprises at the end of the year. The objectives of this review are to:

1. Enable every employee to provide and receive feedback at a timely point in the year.
2. Identify the strengths and opportunities to enhance current performance and align expectations.
3. Provide for course correction and ensure that there are no surprises at the end of the year.

Appraisees are expected to provide comments (self-reviews) on the status of their goals and thereafter, forward to the Line Manager for comments. As part

of this process, the Line Manager and direct reports should have a high-quality discussion with specific attention to the following critical areas:

1. Positives on Performance Assessment
2. “What could be better?” on Performance Assessment
3. Strengths in Leadership
4. Key Deliverables for the rest of the year
5. Ratings for mid-year performance

The employee and Line manager must ensure they have a formal discussion at midyear (H1) to ensure a proper tracking of performance, development needs and other possible career changes. This is mandatory and can be done either face to face or virtually.

6.2. Year-End Employee Performance Review

Our Performance management process is a key business process. The process drives a performance culture by setting high standards for all employees and recognizing and rewarding their accomplishments. As part of Performance management process, the year-end review provides an opportunity to:

- Drive a culture of continuous improvement and high performance
- Provide feedback on expected results and values and behaviors
- Support individuals to meet developmental plans
- Reward in line with the accomplishments
- Strengthen organization capability
- Agree on performance ratings for each employee

The year-end review process starts with the employee, who shall provide a self-assessment and rating on the goals set. The employee is required to forward his/her self-assessment to the Line Manager upon completion. The employee and Line manager must ensure they have a formal discussion to close out the year in view. This is mandatory and can be done either face to face or virtually.

6.0 MULTISOURCE FEEDBACK PROCESS

The Multi source feedback is recommended as an additional source of input to the employee performance in a performance year. This feedback includes views on how the employee exhibits the SATH values as well as other critical performance feedback such as performance on projects etc. The respondents are asked to provide qualitative feedback on the employee's performance and how such employee has demonstrated SATH's Values & Behaviors, based on his/her interaction with the employee during the cycle.

In instances where Multi-Source Feedback (MSF) is used, the Line Manager and employee should agree in advance who should provide multi-source feedback. The respondents should have relevant interaction with the employee and sufficient exposure to his/her performance during the Performance Management cycle.

- Providers of MSF should be notified by the Line Manager and/or employee and asked to provide qualitative, anonymous feedback directly to the Line Manager.
- MSFs should be adequately considered by the Line Manager for the performance review of the employee.
- MSFs are highly recommended – they serve as supplementary information to assist managers in providing their assessment.
- MSFs can be shared with the employee as anonymous, consolidated feedback. Individual MSF shall not be disclosed without the consent of the provider.
- Employee and Line Manager should agree on and finalize the list of sources. There should be a minimum of 5 respondents.
- The Line Manager will receive the feedback and consider it in the performance review decision.

Possible sources of feedback

Peers:

Employees who are at the same job levels with the employee being assessed.

Collaborators:

Employees who make different contributions to the same projects that the employee being assessed is working on.

Customers:

Internal employees or external SATH customers who are supported by or receive the work the appraisee does.

7.0 PERFORMANCE RATING

An appraisee's overall performance rating shall be a function of **"WHAT"** he/she has achieved in terms of results against objectives or KPIs; and **"HOW"** those results were achieved in alignment with our core values and behavioural expectations.

Our Performance rating scale is defined below:

| Star Rating | Performance | Percentage Score | Definition |
|-------------|----------------------------|------------------|---|
| 5 | Outstanding Performer | 80% and above | Your overall performance is consistently of a superb standard and normally exceeds the expectations of your role. You deliver excellent performance results across all aspects of your role. You demonstrate the Company's core values and your overall contribution stands out in your team. |
| 4 | Highly Effective Performer | 70% - 79% | Your overall performance is consistently of a very high standard and often meet the expectations of your role. You deliver high performance results across significant aspects of your role and you demonstrate the Company's core values in your deliveries. |
| 3 | Effective Performer | 60% - 69% | You sometimes meet the expectations of your role. You also deliver performance results across some aspects of your role but may need to strengthen results in significant areas. Your demonstration of the Company's core values is satisfactory. |
| 2 | Average Performer | 50% - 59% | Your overall performance is inconsistent; you sometimes fall below the expectations of your role. You deliver performance results across a very few aspects of your role and you also under deliver in key areas . Your performance and how you exhibit the Company's values are generally inconsistent. |
| 1 | Unsatisfactory Performer | 0% - 49% | An "unsatisfactory" rating suggests that your overall performance often fails to meet the expectations of your role. Your performance and overall contribution are significantly below the expectations of your role. |

It is important to note that:

- (a) Line managers should *NOT* rate a person based on what they have achieved relative to their colleagues.
- (b) Managerial judgement in rating a performance is critical – quality of work, difficulty of operating conditions and feedback from key stakeholders are all important considerations that could affect a person's performance rating. Also, in retrospect, if goals were set at too high or low a level, this could affect a person's rating up and down.

(c) If an employee has a rating 1 (“Unsatisfactory Performance”) at the end of any appraisal period (Half year or end of year), the employee will be placed on 3 months PIP – Performance Improvement Plan. If there is no improvements after three months, the employee’s employment will be terminated. It is expected that the employee will improve his/her rating by the next appraisal after the PIP. However, where there are two consecutive ratings of underperformance (*which may happen when an employee passed his/her PIP after three months, but received a rating of 1 during the next appraisal*), the employee’s employment shall be terminated upon the second consecutive rating of “Unsatisfactory Performance.”

(d) SATH's promotion is premised on the assumption that the next logical step for proven potentials of higher responsibility is based on merit, dependent on availability of roles and is not automatic. As much as possible, the Performance Management process shall seek to identify high performers and the HR department shall take active steps to track, train and retain these set of employees.

(e) Employee performance ratings shall form part of the criteria for rewards, salary increment/salary reviews and/or any compensation adjustment that shall be made from time to time.

8.0 PERFORMANCE IMPROVEMENT PLAN - PIP

This is a corrective process that is aimed at a positive goal. It is subject to progress review and performance assessment. An employee who falls short of key expectations are to be placed on PIP for a maximum of three (3) months, after which the performance shall be reviewed. Generally, a PIP is:

- A way to state what constitutes acceptable behavior
- A way to determine **root causes**
- A way to document **plans** and track **progress**
- A way to state consequences

It should be noted that PIP is neither the first step of termination nor a vehicle for punishment. The process for instituting a PIP is as follows:

- The Line manager must have a formal, documented conversation with the employee
- The HR may or may not be present at the conversation

All PIPs must be signed off by the Line Manager, the HR and the employee before it can be viewed as official.

9.0. INDIVIDUAL DEVELOPMENT PLAN (IDP)

Individual Development Plans are about the development of individual knowledge, skills, behaviours and experiences for the following purposes:

- (a) To build employees' capability in order to increase their effectiveness in/ mastery of their current role.
- (b) To build employees' capability and increase their readiness for a next envisaged role.
- (c) To build a person's capability and increase their readiness for an envisaged horizon role.

The IDP should be completed at the start of the year or at such other period deemed necessary, and then reviewed/refreshed at mid-year and end of year points. For most people, the emphasis will be on development goals to maximize effectiveness in their current role to build readiness for a planned next role.

SATH uses the **70:20:10** principle with regards to capability building. Consequently, employees are expected to discuss and agree (with their line manager) the most appropriate set of learning activities for each development goal. Please see SATH's Learning & Development Policy for guide.

10.0. PERFORMANCE MANAGEMENT DISPUTES RESOLUTION

This provides a guide to managing and resolving all disputes that may arise from the Employee Performance Evaluation. An employee who disagrees with his/her rating should still "acknowledge" the review so that the process can be completed. Employees are required to report concerns of fraud or misconduct in good faith in alignment with the Grievance & Disciplinary Policy of the Company.

If an employee disagrees with his / her rating, they should work in partnership with the HR department as follows:

| Escalation point 1 | Escalation point 2 |
|--|--|
| Employees who disagree with their rating should first discuss the issue with their Supervisor/Line Manager. | If the employee cannot resolve the issue by talking to their Supervisor/ Line Manager, they should speak to the GM/MD of their subsidiary company. |
| If the employee cannot resolve the issue at point 2, they should contact the HR department for further deliberations and action. | |

In extreme cases such as Bullying, Harassment, please refer to Employee handbook. This Employee Performance Management Policy ONLY deals with performance related issues arising out of the Employee Performance Review Process.

10.1. Responsibilities

- *The Aggrieved Employee:* It is the responsibility of the aggrieved Employee to provide evidence as regards to the reason why they believe the assessment of their performance was not a true reflection of their performance.
- *The Appraiser:* The appraiser is expected to show justification for the level of performance ascribed to the Employee.
- *The Interveners:* The interveners are expected to be independent, impartial, non-judgmental, respectful, and treat all aspects of the intervention confidentially, hold a fair hearing, maintain consistency and transparency in the intervention process.

10.2. Parties to Intervention Process

Aggrieved Employee

Line Manager

Line Manager's Supervisor/HOD

Representative(s) from HR department

Executive team member (only if it has been escalated to such level)

The decision of the Intervention Parties shall be considered fair and final.

11.0. GENERAL RESPONSIBILITIES – Performance Management Framework

The overall responsibility for the enforcement of compliance with the Performance Management Policy and guidelines shall reside with the HR Department of the group. This department will drive compliance to the guidelines and will serve as the corrective secretariat for any deviance to the guidelines.

It is important that all stakeholders have a clear knowledge of the performance management policy and understand their roles and responsibilities in driving the policy to achieve success. The key responsibilities of stakeholders are outlined below:

11.1. Employees:

- Are expected to have a clear understanding of the Performance Management Policy.

- Must meet their Line Managers to agree goals for the year and also seek for continuous feedback from their Line Managers
- Ensure their performance meet the requirements of their respective role and any goals/key performance indicators agreed between themselves and Line Managers.
- Contribute actively to performance reviews, including undertaking self-assessments.
- Ensure Line Managers/Supervisors are aware of any mitigating circumstances that can affect their performance.
- Proactively identify development areas, opportunities and ways performance can be improved.

11.2. Line Managers:

- Ensure the policy is applied appropriately and adhered to.
- Ensure employees are aware of and understand the performance standards, Key Performance Indicators (KPI) and skills expected of them.
- Provide information, continuous feedback and guidance / coaching on a regular basis to employees- as required.
- Ensure on-going performance discussions and feedback is scheduled with regular monitoring of the employee performance between formal reviews.

12.0. CONSEQUENCE MANAGEMENT

12.1. Preamble

Having a robust, transparent and consistent practices for managing consequences of noncompliance with SATH's Performance Management Policy is a critical element in driving a performance culture and key to ensuring that employees' conducts are aligned with the strategic objectives of the organisation.

In addition, the consequences shall apply upon expiration of any timeline or period that would have been communicated by the HR department. In particular, before performance-based remuneration is awarded, the HR department shall review all significant breaches of performance review process by employees and shall advise on the applicable consequences. **Please refer to Appendix 1 for the consequence sanction grid.**

12.2. Scope

The consequence management procedures shall apply to all employees in SATH and its subsidiaries.

12.3. Frequency

The frequencies of non-compliance have been defined and are graduated (in working days) based on the action type.

- ❖ First Offender: All first offenders shall receive a mail reprimand and/or stern discussion from the HR department upon the expiration of any performance management deadline.
- ❖ Second and subsequent offender: The applicable consequences shall apply.

12.4. Exceptions:

There shall be exceptions to the execution of the consequence management policy and these are as follows:

- ❖ A waiver shall be granted, where it is established (with evidence) that the action leading to the employee's noncompliance was due to business exigencies or health reasons. In any of these instances, appropriate approval must be obtained from the Group Executive Director.

13.0. GENERAL PRINCIPLES

This policy sets out the criteria for validating the scope and purpose of this policy as detailed below:

13.1. Probation

- ❖ Staff assigned an overall performance rating of "Under Performance" shall be placed on Performance **Improvement Plan - PIP** for three (3) months for the purpose of providing competence development support. Such plans will articulate Performance Issues; Root Causes; and Action Plans. At the end of the PIP period, a review shall be initiated by the HR department, in conjunction with the employee's line manager and HOD in order to assess the need for continued provision of competence development support or if there will be need for separation. **The PIP period cannot be extended beyond three months.**
- ❖ If performance does not improve after 3 months, the employee shall be informed of the company's decision to disengage and given the opportunity to resign. If staff however refuses to accept the offer to resign, the company shall terminate the employees' employment by giving adequate notice and/or payment in lieu of such notice.

13.2. Performance measures shall be derived from "Key Performance Indicators" specified at the organisational level based on the rolling plan and cascaded to the goals of each member of staff.

- ❖ The standard performance review window shall be six months i.e. January – June and July – December. **Interns and all new full time employees, whose**

confirmations are not due by the end of mid-year (June) or as at end of year (December) shall be exempted from performance reviews, but they can be discussed during the performance review in order to have an overview on how they are settling well on the job.

- 13.3. Annual/bi-annual performance expectations/goals for each employee must be clearly defined and documented by the immediate supervisor or Line Manager with the employee during the performance-planning phase of the performance cycle. The agreed expectations shall form the basis for subsequent employee performance reviews at the mid or end of the performance period.
- 13.4. Performance assessment shall be a continuous, interactive and transparent process. It shall serve as an honest, supportive and developmental exercise between an employee and the immediate supervisor.
- 13.5. There shall be a system of continuous assessment and feedback on a monthly basis by the Line Manager, which shall seek to assess competence and performance of direct reports on the areas of their deliverables. Results of such continuous assessments shall feed into and reaffirm the outcome of the mid or year-end performance reviews.
- 13.6. Employees' performance shall be managed on an ongoing basis and shall be the responsibility of the immediate Line Manager with whom the employee has had sufficient contact.
- 13.7. Where an employee has spent time in more than one Business or Department due to transfer or temporary/acting assignment, the employee shall receive an appraisal for the time spent, which shall be consolidated by the overall supervisor into a final performance summary. The appraisal from the Business/Department where the employee spent the most time shall carry more weight.
- 13.8. Performance review outcomes shall form the primary basis for training, reward, career advancement and competence development.
- 13.9. Performance review outcomes shall also be used to disengage non-performers within the organisation.
- 13.10. Employee's performance against predetermined goals will be evaluated and rated at both mid year and end of the financial year. The overall performance score in numerals will be determined after aggregating the

actual scores based on weight allocated to each of the goals. The maximum achievable rating is five (5) and the lowest is one (1).

13.11. Employees who have been identified as having the right skill set may be appointed into job roles in an “acting capacity” as part of their career development. Generally, the duration of an acting capacity role shall not be more than **6 – 12 months** after which the performance of the employee must be reviewed and where satisfactory, a decision shall be made to make the appointment substantive. **However, where an employee has been asked to hold a role for a temporary period, pending the recruitment of a new employee, or as a result of the absence of the role incumbent, such shall not qualify as Acting role. This shall be noted as a “Place Holder” and not an Acting Role.**

13.12. **An employee in a formal Acting Role shall be entitled to an Acting Allowance which shall be calculated as 5% of the monthly net salary of the employee’s current role. This shall be paid on monthly basis and added to the employee’s salary throughout the duration of the acting period, which must not exceed beyond 12 months.**

14.0. GENERAL EXCEPTIONS

Notwithstanding all the above aforementioned policy, procedures and processes, the Management has unreserved authority to exercise its discretion to reject, query or rescind appraisal decision perceived as not being fair and objective reflection of individual actual performance based on justification/business case or other certain mitigating factors that are likely to lead to advancement of an employee beyond level of his/her capacity.

15.0. MAINTENANCE OF THIS POLICY

It is intended that this policy will be reviewed and amended if considered necessary and as the business needs requires. Distribution of this policy is the responsibility of the Human Resources Department.

The information and procedures contained in this Policy document supersede all previously circulated documents on this subject.

APPENDIX 1: CONSEQUENCE & SANCTION GRID

| ACTION TYPES | RESPONSIBILITY | Mail Reprimand and stern discussion | 40% points to be taken from employee's score during performance review | 60% points to be taken from employee's score during performance review. |
|--------------|----------------|-------------------------------------|--|---|
|--------------|----------------|-------------------------------------|--|---|

| | | FIRST STAGE | SECOND STAGE | THIRD STAGE |
|--|---------------------|--|--------------|--------------|
| Noncompliance with goal setting timeline | Employee | Upon the expiration of goal setting deadline | After 3 days | After 2 days |
| Noncompliance with goal setting approval timeline | Line Manager | Upon expiration of Cut-off day | After 2 days | After 2 days |
| Noncompliance with mid-year OR year-end self-review timelines | Employee | Upon expiration of Cut-off day | After 2 days | After 2 days |