



Eppeltone Engineers Limited

(Formerly known as Eppeltone Engineers Pvt. Ltd.)

E-mail : info@eppeltone.in
Website : www.eppeltone.in

EPELTONE ENGINEERS LIMITED

(CIN: U31909DL2002PLC117025)

PERFORMANCE EVALUATION POLICY/MECHANISM

PURPOSE:

The Board is ultimately responsible for the sound and prudential management system. As such, the Board is committed to a continuing process of Board renewal and formal procedures for assessing the performance of the Board, the aim being to maintain an energized and effective Board.

Further as per the provisions of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the Board is required to monitor and review Board Evaluation Framework. The Board is committed to assess its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning.

This policy sets out the guidelines that the Board has agreed they will follow regarding:

- Board renewal; and
- Board performance evaluations.

STATUS OF POLICY:

This policy will be reviewed annually by the Nomination and Remuneration Committee or more frequently if changes to legal or regulatory requirements dictate.

DEFINITIONS:

- A. "the Act": The Act shall mean The Companies Act, 2013;
- B. "The Company": The Company shall mean EPELTONE ENGINEERS LIMITED.
- C. "The Director" or "the Board": The Director or the Board, in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.
- D. "The Independent Director": The Independent Director shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (5) of the Act.
- E. "The Policy" or "this Policy": The policy or This Policy shall mean the Policy for Evaluation of performance of Board of Directors of the Company.
- F. "The Committee" or "this Committee": The Committee or This Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

BOARD PRINCIPLE RELEVANT TO APPOINTMENT OF DIRECTORS:

Persons shall be considered for appointment to the Board, based upon their skill, judgment, diversity and experience. Further appointment of any director shall be considered in accordance with the Nomination and Remuneration Policy.

To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organize the evaluation process and act on its outcome;

2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Performance of duties and level of oversight; and
- Professional conduct and independence.

3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.

4. In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

EVALUATION OF THE PERFORMANCE:

The Committee shall evaluate the performance of each Board of Directors of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code of Conduct of the Directors and the criteria for the evaluation of the performance as per this policy.

Evaluation of independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated. Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criteria and sub-criteria.

CRITERIA FOR EVALUATION OF PERFORMANCE:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board.

1. Attendance and contribution at Board and Committee meetings
2. His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
3. His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
7. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.

10. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.

11. His/her contribution to enhance overall brand image of the Company.

Familiarization Program for Independent Directors

As required by the provisions of Schedule IV to the Act and the provisions of Regulation 25(7) of the SEBI (LODR) Regulations, 2015, the Company is required to develop a Familiarisation Program for the Independent Directors of the Company.

The Company will impart Familiarisation Programs for new Independent Directors inducted on the Board of the Company.

The Familiarisation Programme of the Company will provide information relating to the Company, business model of the Company, geographies in which Company operates, etc. The program also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Program should also provide information relating to the financial performance of the Company and budget and control process of the Company. The Managing Director or such other authorized officer(s) of the Company shall lead the Familiarization Program on aspects relating to business / industry. The Chief Financial Officer or such other authorized officer(s) of the Company may participate in the program for providing inputs on financial performance of the Company and budget, control process, etc.

Framework for Separate Meeting of Independent Directors

As required by the provisions of Schedule IV to the Act and the provisions of Regulation 25(3) of the SEBI (LODR) Regulations, 2015, 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 the management.

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, taking into account 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.

This meeting could be held prior or after the Board Meeting. The Independent Directors are free to call such meeting at any point of time, as desired.

Performance Evaluation of 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: Mr. Sandeep Thukral

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1	Attendance and participations in the meetings		
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		

Performance Evaluation of Non – Independent Directors / Executive Directors

Some of the specific issues and questions that should be considered in a performance evaluation of Chairman and Managing Director/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: Ms. Jyoti Bala

S. 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		

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