

POLICY ON SUCCESSION PLANNING FOR THE BOARD

Preamble

The Securities and Exchange Board of India (SEBI) revised the Code of Corporate Governance for listed companies significantly to bring it in line with the Companies Act 2013. SEBI has mandated succession planning for appointment to the Board of Directors as one of the key functions of the Board of Directors.

Perpetual succession is one of the facets of a corporate entity wherein the resources may come and go but the company will survive forever. This envisages that staff will not be with an organization indefinitely and this necessitates the formation and existence of orderly succession planning in an organization. Devising and strategizing Proactive Succession Planning methodologies are one of the important functions of the Human Resource department for smooth transitions with little disruption to the organization. Succession planning is a tool for an organization to ensure its continued effective performance through leadership continuity.

The Company in order to avoid any leadership gap in the Board has therefore devised a Policy on Succession Planning for the Board (hereinafter called the "Policy").

A. Definitions

"Company" shall mean Eppeltone Engineers Limited.

"Board of Directors" or "Board" means the Board of Directors of the Company in terms of Regulation 2(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the LODR regulations) as constituted from time to time.

"Key Managerial Personnel" shall mean key managerial personnel (KMPs) as defined in sub-section (51) of Section 2 of the Companies Act, 2013.

"Listed Entity" means any entity which has listed its securities on recognized stock exchange(s), in accordance with the listing agreement entered into with the stock exchange(s).

"Listing Regulations" shall mean an agreement entered into between the Company and the recognized stock exchange(s) wherein the securities of the Company are listed pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 "LODR".

"Policy" means this Policy on Succession Planning for the Board including any amendments, if any made from time to time.



Eppeltone Engineers Limited

(Formerly known as Eppeltone Engineers Pvt. Ltd.)

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B. Applicability

The Policy shall be applicable for succession planning of the following personnel:

- Managing Director
- Non-Executive Directors on the Board of the Company
- Any other positions within the company at the discretion of the Managing Director in consultation with the Board.

C. Approval and Review

The Nomination Committee of the company shall oversee, and review succession plans from time to time and recommend the same to the Board

D. Succession Plan for the Board

The Nomination Committee shall proactively review the succession requirements for the Board and carryout the due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the company based on his educational qualification, experience & track record etc.

The proposed candidate shall be evaluated by the Nomination Committee to determine the eligibility and fit and proper criteria as per the Companies Act 2013 and thereafter such candidature shall be recommended to the Board for its consideration and approval. However, the terms of remuneration, if any, shall be considered separately by the Compensation and Remuneration Committee in its meeting and suitably recommend the same to the Board.

E. Compensation

On the recommendation of the Nomination and Remuneration Committee, the Board will fix the remuneration of non-executive directors (including independent directors) subject to the ceilings provided under the Companies Act 2013.

The non- executive Directors other than nominee Directors shall be entitled for sitting fees and reimbursement of other incidental expenses which may be incurred by a director for attending Board/ Committee meetings at such rate as may be approved by the Board from time to time.

Subject to the compliance with the provisions of Companies Act, 2013, the Board may on the recommendation of the Nomination and Remuneration Committee, after taking into account the profitability of the company for each financial year, approve the payment of an annual



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Commission payable to each non-executive (other than nominee Directors) / independent Directors of the company for each financial year or part thereof. Where a director has left the company before the completion of a financial year or before approving the payment of commission by the Board, the Board may in its absolute discretion sanction such amount as commission to such Director for his services during the period for which the commission was fixed.

Remuneration of Executive Director(s) and Chairman (Part-time/ whole time) will be subject to the applicable provisions of the companies act, 2013 including schedules and shall be fixed by the Board on the basis of recommendation made by the Nomination and Remuneration Committee. However, the compensation for MD shall be in line with the Compensation Policy of the Company.

F. Review of the Policy

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

The Board has the power to amend / replace this Policy on recommendation by the Nomination Committee.
