

EON ELECTRIC LIMITED

POLICY ON BOARD DIVERSITY

[Regulations 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Purpose

In accordance with the provisions of Regulation 19(4) read with Part D of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”), the Company has framed a formal policy on Board diversity which sets out a framework to promote diversity on Company’s Board of Directors (the ‘Board’).

2. Scope

This policy applies to the Board. It does not apply to employee generally.

3. Vision

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of performance of the Board.

4. Policy Statement

The Company recognizes and believes that a diverse Board will enhance and embrace the quality of the decisions made by the Board by utilizing different skills, qualifications, professional experiences, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced development.

The Company also believes that a truly diverse Board will leverage differences in thoughts, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age ethnicity, race and gender which will ensure that the Company retains its competitive advantage.

EON believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including to:

- Drive business results;
- Make corporate governance more effective;
- Enhance quality and responsible decision making capability;
- Ensure sustainable development;
- Enhance the reputation of EON.

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The Nomination and Remuneration Committee (“NRC Committee”) is responsible for reviewing and assessing the composition of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

In this process the NRC Committee /Board will take into consideration qualification and wide experience of the directors in the fields of Electrical equipment’s, technology, banking, finance, regulatory, administration and legal etc. apart from compliance of legal and contractual requirements of the Company. The Board of directors of the Company shall have an optimum combination of executive and non-executive directors with at least one woman director and the composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements), 2015 and the statutory, regulatory and contractual obligations of the Company.

Further, the Committee will ensure that no person is discriminated against on grounds of religion, race, gender, national origin or ancestry, marital status, age or any other personal or physical attributes which does not speak to such person’s ability to perform as a Board member.

5. Principles

Our Diversity policy is centered on the following **five core principles**:

- **Meritocracy** - decisions about recruitment, development, promotion and remuneration are based on performance and capabilities.
- **Fairness and Equality** - embracing Diversity and being inclusive means we do not tolerate unlawful discrimination, bullying, harassment or victimization.
- **Contribution to commercial success** - our Diversity and Inclusion initiatives are based on sound business principles and objectives. We focus on results for EON and EON’s people, and not on processes or programs for their own sake.
- **Everyone's Business** - we have some focused initiatives for Identified Groups, but Diversity and Inclusion is for everyone at EON. It is part of how we work and, because it helps our Company to be successful, is everyone's business.
- **Part of who we are** - we are diverse and we are inclusive. EON people live the EON Cultural Priorities which include valuing diverse ideas and innovating together to achieve our objectives.

6. Measurable Objectives

The Board must annually establish Measurable Objectives for achieving Diversity on the EON’s Board.

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7. Monitoring and Reporting

1. Pursuant to the NRC Committee Charter, the NRC Committee is (among other things) responsible for:
 - formally assessing the appropriate mix of Diversity, skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
 - making recommendations to the Board in relation to Board succession, including the succession of the Chairman, to maintain an appropriate mix of Diversity, skills, experience and expertise on the Board and
 - reviewing and reporting to the Board in relation to Board Diversity.

2. The NRC Committee will:
 - report to the Board on:
 - initiatives undertaken by the Board in relation to board Diversity and to achieve the Measurable Objectives
 - progress in achieving the Measurable Objectives and
 - make recommendations to the Board regarding the Measurable Objectives.

3. The Board must, at least annually, assess:
 - the Measurable Objectives and
 - progress in achieving the Measurable Objectives.

The Board will ensure that appropriate disclosures are made in the Annual Report regarding Board Diversity.

8. Review of Policy:

The Nomination Committee will conduct an annual review of this Policy (which will include a review of the effectiveness of the policy), discuss any required changes with the Board and ensure that any revisions to this policy are approved by the Board.

9. Disclosure of the Policy:

This Policy will be posted on the Company's website. The necessary disclosure about the Policy will also be made as per requirements of LODR and Companies Act 2013.
