

Policy for Succession Planning for the Board and Senior Management

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Adopted on 08 November, 2022

1. Background and Introduction

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 the need for a succession policy and planning as key function of the Board of Directors.

Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 require the Company to put in place Policy on Succession planning for the Board and Senior Management and display the same on the website of the Company.

The Company recognizes the importance of the process to Succession Planning to provide for continuity in the smooth functioning of the organization. It is an essential function of the Board for survival, growth of the organization and to ensure its continued effective performance through leadership continuity. There are certain positions in the Company that are key to Company's current and future growth. It is, therefore, important that these positions are manned by skilled and best possible incumbents and those positions whenever fall vacant are filled well in time to avoid any leadership gaps. The Company has therefore put in place a Policy on Succession Planning for the Board and Senior Management (hereinafter called the "Policy").

The Company recognizes the below benefits of having in place the visible Succession Plan:

- 1.1 It signals to their employees that company is focused on their long-term future by protecting the
- 1.2 organization from the havoc that unwelcome departures can create.
- 1.3 It assures clients and customers and helps preserve their confidence in the organization because they know that it will continue to provide products and/or services without interruption.
- 1.4 It helps focus people's attention on the competencies they need to do an excellent job.
- 1.5 It puts more focus on developing talent from within the organization. People will know that with targeted education, training, and coaching, they could move into key positions. This boosts overall motivation, morale, and satisfaction in the organization.

2. The Objective of this policy is:

- 2.1 To ensure the Group is prepared with a plan to support operation and service continuity when the Board, KMP's and Senior Management Personnel or key business leader leave their positions.
- 2.2 To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities.
- 2.3 To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of the Company from time to time
- 2.4 To develop career paths for employees which will facilitate the Group's ability to recruit and retain top-performing or high talent employees
- 2.5 To deliver a message to the Group's employees that they are valuable; and
- 2.6 To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence

3. Applicability

This Policy for Succession planning is applicable to the following personnel:

- 3.1 Board of Directors include Whole-time Directors, MD & CEO and Chairman of the Organization appointed by the Board/ Shareholders.
- 3.2 'Senior Management' shall mean and include the following: - Members of Management Team reporting to the MD & CEO - KMPs (other than whole-time director)
- 3.3 Any other positions within the Company at the discretion of the CEO & Executive Director in consultation with the Board.

4. Succession Plan for the Board & KMP

The responsibility of ensuring timely replacement for positions of any Director, lies with the Nomination & Remuneration Committee (NRC) of Directors of the Company.

The NRC shall undertake a process of due diligence to determine the suitability of the person for appointment / re-appointment / continuation as a Director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. In the event of any unexpected vacancy in the Board, NRC shall meet and appoint a suitable person to take charge of the said position either on an interim basis or on permanent basis.

The Nomination & Remuneration Committee of the Board shall apply a due diligence process to determine the suitability of every person being evaluated for any position in the Board & KMP.

The below steps are undertaken for the process of Succession Planning:

4.1 Succession Planning for Board and KMP

- 4.1.1 Define - the competency requirements of critical and key positions
- 4.1.2 Competencies to be pre- approved by NRC
- 4.1.3 NRC to regularly assess potential candidates' basis their performance track record and Potential assessment and finalization the talent
- 4.1.4 Talent with readiness of 0-3 years will be considered as potential successors
- 4.1.5 Potential assessment of candidate to be done two prong 1) Internal assessment 2) External assessment to get a balance and neutral view on talent
- 4.1.6 Potential assessment once in three years through external assessment

The Company has also framed a Nomination & Remuneration Policy to guide the Board in relation to appointment/reappointment/removal of Directors and to devise criteria for performance evaluation of Independent Directors and the Board and to ensure adequate diversity in the Board to make good use of the varied skills, regional and industry experience, background, gender and other qualities of the Directors.

Accordingly, the appointment/re-appointment/removal and tenure of the Directors including the CEO & Executive Director and Executive Directors of the Company shall be governed by the provisions of Nomination & Remuneration Policy of the Company.

5. Succession Plan for the Senior Management & Other Critical Positions

The responsibility of ensuring timely replacement for Senior Management positions, lies with the MD and CEO of the Company.

The Human Resource Department of the Company on an ongoing basis shall be responsible to follow the succession planning process and ensure successor development plan of Internal talent, who can be groomed to occupy Director/ senior level positions.

5.1 Succession Planning for Senior Management Team

- 5.1.1 Define the competency requirements of critical and key positions
- 5.1.2 Competencies to be pre- approved by NRC
- 5.1.3 MD, CEO and two-member senior management team member to form the Successor Talent Council (STC) to sign of the nomination of successors
- 5.1.4 STC to regularly assess potential candidates' basis their performance track record and Potential assessment
- 5.1.5 Talent with readiness of 0-3 years will be considered as potential successors
- 5.1.6 Potential assessment once in three years through external assessment.

Every member of the senior management team shall always endeavor to mentor high potential talent who are successors to senior management roles. This should also include giving exposure to the talent pool to the key responsibilities and all aspects of work being handled by the senior management team members.

Exceptions

In case of non- availability, the said plan may involve selection of an external candidate having requisite skills, experience, leadership quality and expertise deemed necessary for the said position.

- a. The NRC can take a call to nominate internal talent on an "interim basis", till a suitable replacement is found.
Or
- b. Grant an extension in term/service of exiting role incumbent till a suitable replacement is found.

6. Successor Development

The successors are being categorized in the following bracket:

- a. Successor ready within 1 year
- b. Successor ready in 1-2 years
- c. Successor ready in 2-3 years

The learning initiatives of the successors are basis their readiness, competency assessment and the gaps in the skills. Individual Development Plan for each of the successor is curated which has varied learning interventions viz. 360-degree exposure through Action Projects, Job Enrichment, Training Coaching/Mentoring to ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises.

7. Review of the Policy

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

The Board has the power to replace this Policy entirely with a new policy.

Confidentiality:

All persons responsible for execution of the Succession Planning Policy shall ensure confidentiality of the discussions and decisions with regard to the prospective candidate, except that the information may be shared, if required, with the concerned candidate in order to prepare him/her for such elevation.