

Policy on Succession Planning

Background:

As a strategic methodology to ensure the transfer of skill and organizational knowledge during times of transition, a policy document is needed, as a guidance tool, to assess the leadership needs of the organization to ensure the selection of qualified leaders that are diverse and a good fit for the organization's mission and goals that have the necessary skills for the organization.

Succession Planning is a continuous process rather than a onetime event. And succession planning policy intends to put in place guiding principle for talent management at the Board and senior management level to align with the long term objective of the organization, and endeavours to mitigate the critical risks such as vacancy, readiness and transition risk.

Objective of succession policy:

- a) Identification of roles at the Board and Senior Management level;
- b) Developing next generation of leaders as potential successors;
- c) Determining the developmental needs of the incumbent and nurture, train and increase their skill sets with the key objective of ensuring smooth succession without impeding the performance in current roles and responsibilities;
- e) Maintain a sustainable pool of talent in the organisation.

Statutory requirement:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, i.e. LODR, requires that the Board of Directors of the organisation shall oversee the succession planning and satisfy themselves that plans are in place for orderly succession for appointments at the Board and Senior Management level. Accordingly, the Board of Directors are required to put in place a plan for orderly succession for appointment at the Board, and senior management level. Similarly, section 178 of the Companies Act, 2013 requires that the Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

Applicability:

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

1. Managing Director

2. Other Board of Directors
3. Key Management Personnel (other than Managing Director and Whole Time Director) and Senior Management Position
4. Any other positions within the Company at the discretion of the Nomination and Remuneration Committee in consultation with the Board.

Note: “Senior Management” shall mean officers/personnel of the company who are members of its core management team excluding the Board of Directors and normally this shall comprise all members of management one level below the managing director, whole time director and shall specifically include company secretary and chief financial officer.

Implementation Process:

A. Positions at the Directors level:

The Nomination and Remuneration Committee (NRC) shall ensure timely replacement for positions of any Director.

For any vacancy in the Executive Board, the NRC in consultation with the Managing Director and other Members of the Executive Board, shall fill the position with the person who have requisite qualifications and attributes required for such position(s).

For other vacancies in the Board, the NRC shall identify and recommend name(s) of the candidate(s) who has the requisite qualifications and attributes for being considered for such position(s).

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 Executive Board, NRC in consultation with the Managing Director and other Members of the Executive Board, shall fill the position from a select pool of persons to take charge of the said position either on an interim basis or on permanent basis.