

ANANDRATHI

ANAND RATHI WEALTH LIMITED

SUCCESSION PLANNING POLICY

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Background

The Securities and Exchange Board of India (SEBI) has mandated the need for a succession policy pursuant to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This is one of the most significant attempts to ensure that investors do not suffer due to sudden or unplanned gaps in leadership. It is a mandate for boards of all listed companies to develop an action plan for successful transition of key executives.

As per Section 178 of the Companies Act, 2013 ("Companies Act"), the Company is required to constitute a Nomination and Remuneration Committee, and development of a succession plan for the Board and senior management is an object of the Nomination and Remuneration Committee.

The Company has therefore put in place a Policy on Succession Planning for the Board and Senior Management (hereinafter called the "Succession Policy").

Objective

The objective of the succession planning program shall, inter-alia, include the following:

- a) To identify and nominate suitable candidates for the Board's approval (including Nomination and Remuneration Committee) to fill the vacancies which arises in the Board of the Company from time to time.
- b) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- c) To identify the key job incumbents in Senior Managerial positions and recommend whether the concerned individual (i) be granted an extension in term/service or (ii) be replaced with an identified internal or external candidate or recruit other suitable candidate(s).
- d) 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.

Applicability

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

- i. Board members
- ii. Chief Executive Officer
- iii. Chief Financial Officer
- iv. Company Secretary
- v. Senior Managerial Position (VP & above)
- vi. Any other positions within the Company at the discretion of the Managing Director in consultation with the Board.

Review and approval of the policy

The policy will be reviewed by Nomination and Remuneration Committee at such intervals, as may be required to be done pursuant to any bylaws, rules, regulations, if any or otherwise. Changes, amendments, if any, in the policy shall be approved by the Board of Directors.

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.

Policy Requirements

The Nomination & Remuneration Committee of the Company shall review the leadership needs of the Company from time to time as under:

a) Succession Plan for the Board

The Nomination & Remuneration Committee of the Board shall frame a due diligence process based on educational qualification, experience & past track record to determine the suitability of every person who is being considered for the appointment or reappointment as a Director of the Company and every such person shall meet the 'fit and proper' criteria, and accordingly any appointment or re-appointment of a Director shall be subject to prior approval / recommendation by Nomination & Remuneration Committee of the Company.

b) Succession Plan for the Senior Managerial Personnel

The Nomination & Remuneration Committee shall periodically review and consider the list of senior managerial personnel due for retirement/attrition within the year. The Committee shall also consider the new vacancies that may arise because of business needs/up-gradation of Department(s)/Regional Office(s). Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future growth and development. Further, based on the recommendation of the Managing Director, the Nomination & Remuneration Committee:-

- 1) shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board whether the concerned individual
 - (i) be granted an extension in term/service or
 - (ii) be replaced with an identified internal or external candidates.
- 2) shall identify the competency requirements, assess potential candidates and develop required competency through planned development and learning initiatives. The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

3) may recommend to the Board to appoint other suitable external candidate(s) as special recruitment in senior managerial level based on job roles and competency in order to provide a continuous flow of talented people to meet the organizational needs.

- The prevailing promotion/transfer policy of Company shall be designed in such a way that the existing/proposed senior managerial personnel shall get all-round exposure in various domains to facilitate career progression, prepare them for administrative responsibilities and to discharge their functions effectively in senior positions.
- Where it is decided to appoint an external candidate, timely and planned steps shall be taken for selection of a suitable candidate so that the appointment is made well before the retirement/relieving of the concerned officer to ensure the smooth transition.
- The recommendation of the Nomination & Remuneration Committee shall be placed to the Board for approval. While making its recommendation, the Nomination & Remuneration Committee shall consult with the Chairman and the Managing Director as may be relevant and all factors including the available talent within the organization and the need to ensure continuous working and growth of the Company shall be carefully considered.
- The Managing Director shall from time to time identify high-potential employees who merit faster career progression to position of higher responsibility and formulate, administer, monitor & review the process of skill development and identify the training requirements.
- Every member of the senior management team shall always endeavor to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.
- In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart (as far as practicable) shall take interim charge of the position, pending a regular appointment in terms of the succession plan.

c) Appointment of Key Managerial Personnel

The appointment of Key Managerial Personnel (KMP) to be made in compliance with all applicable provisions of the Companies Act, 2013 and Listing regulations.
