

## **POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT**

### **Background**

Succession Planning is a process of ascertaining the need for filling positions at the Board, Group Management and other key positions. It involves identification for the said roles, assessment of their potential and developing next generation of leaders as potential successors for key leadership roles in SIS Limited (“the Company”). The Company always endeavours to nurture, train and increase the skill sets of employees at all levels, with the key objective of ensuring smooth succession without impeding the performance in current roles and responsibilities.

The Company recognises that Succession Planning is a continuous process rather than a onetime event and hence, intends to put in place this Policy that aligns talent management with the said objective and endeavours to mitigate the critical risks such as Vacancy, Readiness and Transition risk.

In terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), the Board of Directors is required to oversee the Succession Planning and shall satisfy themselves that plans are in place for orderly succession for appointments to the Board and Senior Management. In view of the same, the Company has formulated and adopted this Policy.

### **Applicability**

- a. The Policy focuses mainly on the Succession Planning at the Board and Senior Management.
- b. Committee or NRC means the Nomination and Remuneration Committee of the Board.
- c. Senior Management for the purpose of this Policy means and includes the following
  1. Members of the Group Management Committee
  2. Designated leaders of each SBU (i.e., Presidents/Managing Director and Finance Controller/Chief Financial Officer)
  3. Any other person at the discretion of the NRC or Managing Director.
4. Key Managerial Personnel means
  - i. Chief Executive Officer or Managing Director or Manager;
  - ii. Company Secretary;
  - iii. Whole-Time Director;
  - iv. Chief Financial Officer;

- v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board of Directors of the Company; and
- vi. such other officer as may be prescribed under the applicable laws and regulations from time to time.

### **Objectives**

- a. To identify and create a talent pool of high potential personnel, who can be considered for appointment at the Board and Senior Management and groom them to assume such roles in the Company, whenever the need arises.
- 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 ensure that the business of the Company is not affected on account of interruptions caused due to superannuation or voluntary retirement or resignation or death or permanent incapacitation or sudden exit of any Member of the Board or Senior Management.
- d. To ensure the systematic and long-term development of individuals in the Senior Management level to replace as and when the need arises.

### **Succession Plan for the Board**

- a. In line with the Nomination and Remuneration Policy of the Company, the NRC shall undertake a due diligence process to determine the suitability of a person for being appointed or re-appointed as a Director of the Company, based on their educational qualification, experience, expertise, track record, and other parameters as prescribed under the applicable laws and regulations.
- b. Accordingly, any appointment or re-appointment of a Director shall be subject to prior approval/recommendation by NRC.

### **Succession Plan for the Senior Managerial Personnel**

The Managing Director shall periodically review and consider the list of Senior Managerial Personnel approaching retirement/superannuation and also new vacancies/positions that may arise from time to time because of business needs/up-gradation of Functions(s)/ Office(s). Considering the above, the Managing Director shall assess the availability of suitable candidates for the Company's future growth and development. Further, based on the recommendation:

- a. For the position in the Group Management Committee, the Managing Director in consultation with the Chairman of the Board shall nominate senior managers (whether internal or external) and who have the requisite qualifications, experience and attributes for being considered for such position(s).
- b. For the position of Designated leaders of each SBU, CEO (FM & EB) and Chief Financial Officer, as the case may be, shall recommend to the Managing Director the name(s) of the candidate(s) (whether internal or external) who have the requisite qualifications and attributes for being considered for such position(s).

- c. For the position of Key Managerial Personnel, the Managing Director in consultation with the Nomination and Remuneration Committee shall recommend the name(s) of the candidate(s) (whether internal or external) and who have the requisite qualifications, experience and attributes for being considered for such position(s). The appointment of Key Managerial Personnel to be made in compliance with all applicable provisions of the Companies Act, 2013 and Listing Regulations, as amended.
- d. The appointment or reappointment shall be in line with the internal policy(ies) adopted by the management, keeping in view the Company's mission, vision, values, goals, and objectives.
- e. Every member of the Senior Management shall always endeavor to add capability in-house and mentor executives and managers displaying the requisite attributes and potential and shall provide a career development path by exposing to different aspects of the work/business and rotating between different functions and businesses.
- f. Human Resources team shall also, from time to time, in consultation with the Managing Director / Senior Management identify and recommend high-potential employees who have the potential to leadership positions and formulate, administer, monitor and review the process of skill development and identify training requirements and job/function addition and/or rotation in respect of such employees.

### **Process**

The process to be followed for Succession Planning is as follows:

- a. Identify Critical Roles
- b. Construct Success Profiles
- c. Assess Staff
- d. Create Development Plans
- e. Develop Successors
- f. Successors Ready
- g. Review and Adapt

### **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 for such elevation.

### **Policy review**

This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the applicable laws and regulations or as may be otherwise prescribed by the Board of Directors from time to time.