



AVRO INDIA LIMITED

POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

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POLICY ON SUCCESSION PLANNING FOR THE BOARD & SENIOR MANAGEMENT

1. BACKGROUND:

Under Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the LODR Regulations**”), the board of directors of a listed entity is required to satisfy itself that plans are in place for orderly succession for appointment to the board of directors and senior management.

The Company has therefore put in place a Policy on Succession Planning for the Board and Senior Management (hereinafter called “**this Policy**”)

The Nomination and Remuneration Committee (“**NRC**”) shall be responsible for implementing this Policy and its related procedures.

2. OBJECTIVE

Succession planning is required to ensure continuity and smooth functioning of the Company and to ensure that investors / stakeholders do not suffer due to sudden or unplanned gaps in leadership.

The objective of this Policy is to make a plan for orderly succession for appointment to the Board and Senior Management.

The objectives of the succession planning programme shall, inter-alia, include the following:

- 1) To identify and nominate suitable candidates for the Board’s (including Nomination and Remuneration Committee) approval to fill the vacancies which arises in the Board/Senior Management positions from time to time.
- 2) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- 3) 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 (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s) as per the rules of the Company.
- 4) 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 occurrences.

3. DEFINITIONS

- i. “**Nomination and Remuneration Committee**” or “**NRC**” means the Committee of the Board constituted/re-constituted, from time to time, under the provisions of Regulation 19 of the LODR Regulations, and Section 178 of the Companies Act, 2013, as amended from time to time.



- ii. **“Board of Directors”** or **“Board”** means the board of directors of the Company as constituted/re-constituted, from time to time.
- iii. **“Company”** means Avro India Limited.
- iv. **“Companies Act”** means the Companies Act, 2013 read with the rules framed there under, as amended from time to time.
- v. **“Policy”** means this policy on Succession Planning for the Board and Senior Management.
- vi. **“KMP”** or **“Key Managerial Personnel”** means:
 - a) the chief executive officer or the managing director or the manager in their absence, a whole-time director;;
 - b) the company secretary;
 - c) the chief financial officer; and
 - d) such other officer as may be prescribed under the Companies Act.
- vii. **“LODR Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- viii. **“Senior Management”** shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- ix. **“Stock Exchange(s)”** means the stock exchange(s) in which the shares of the Company are listed.

4. APPLICABILITY

This policy shall apply to the Board, KMP and Senior Management of the Company and such other position as may be identified by the managing director in consultation with the Board and NRC.

5. PROCEDURE FOR SUCCESSION

i. Succession Plan for the Board and the KMPs

The NRC shall identify/approve suitable persons to fill up the vacancy at the Board and KMP level.

The Management of the Company may recommend any candidate for appointment as KMP/director.

The NRC shall apply a diligence process to determine the suitability of every person who is being considered for appointment or re-appointment as a director or KMP of the Company based on his/her educational qualifications, experience and track record.



The appointment, re-appointment or removal of the person at the Board and KMP level shall be recommended by the NRC and approved by the Board. Such appointment, re appointment or removal shall be in accordance with the applicable provisions of the Companies Act, the LODR Regulations and other laws as applicable to the Company.

ii. Succession Plan for the Senior Management

- The NRC shall periodically review and consider the list of Senior Management due for retirement/attrition within the year. The NRC shall also consider new vacancies that may arise because of business needs or up-gradation of department(s). Accordingly, the NRC shall assess the availability of suitable candidates for the Company's future growth and development.
- NRC shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and determine whether the concerned individual (i) be granted an extension in term/service or (ii) be replaced with an identified internal or external candidates.
- NRC shall monitor the competency requirements of key positions, assess potential candidates and review steps towards developing required competency through planned development and learning initiatives.
- NRC may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.
- Based on recommendation of Managing Director, NRC may recommend to the Board to appoint other suitable external candidate(s) 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.
- 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 regarding appointment of senior management personnel shall be placed to the Board for approval. While making its recommendation, the Nomination & Remuneration Committee shall consult with the Chairman, 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.
- The appointment of Senior Management shall be in accordance with the applicable provisions of the Companies Act, the LODR Regulations and other laws as applicable to the Company.

6. EMERGENCY SUCCESSION OR TEMPORARY CHANGE

If a director's slot/Senior Management's position suddenly becomes vacant by reason of death or other unanticipated occurrence, the NRC/ Executive Directors shall convene a special meeting as early as possible to implement the process described herein, subject to the necessity involved.

For a temporary change in executive leadership (i.e., illness or leave of absence for long time), the immediate junior officer, reporting to such executive, shall take charge in place of his/her senior until the senior executive re-joins the office or if he/she is not competent in the view of the Chairperson and Managing Director or the NRC, then such other person who is competent to take the charge as may be decided by the Managing Director or the NRC will take charge until the senior executive re-joins the office.

7. AMENDMENTS TO THE POLICY

The NRC shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board reserves the right to amend this Policy from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory 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.