

CREDITACCESS GRAMEEN LIMITED

Policy on Succession Plan for appointment of Directors and Senior Management

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POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

Preamble

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 planning policy pursuant to its circular dated April 17, 2014 and listed succession planning as one of the key functions of the Board of Directors. This is a significant attempt 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.

Perpetual succession is one of the facets of a corporate entity wherein the resources may come and go but the company will survive forever. This envisages that staff will not work with an organization indefinitely and this necessitates the formation and existence of orderly succession planning in an organization. Devising and strategizing proactive Succession Planning methodologies therefore, forms one of the important functions of the Human Resource Department for smooth transition with little disruption to the organization. Succession planning is a necessary tool for an organization to ensure its continued effective performance through leadership continuity.

The Company in order to avoid any leadership gap in the Board and Senior Management has therefore devised a Policy on Succession Planning for the Board and Senior Management (hereinafter called the "Policy").

1. Definitions

"Company" shall mean CREDITACCESS GRAMEEN LIMITED

"Board of Directors" or "Board" means the Board of Directors of the Company in terms of Regulation 2(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the LODR regulations) as constituted from time to time.

"Key Managerial Personnel" shall mean key managerial personnel (KMPs) as defined in sub-section (51) of Section 2 of the Companies Act, 2013.

"Listed Entity" means any entity which has listed its securities on recognized stock exchange(s), in accordance with the listing agreement entered into with the stock exchange(s).

"Listing Regulations" shall mean an agreement entered into between the Company and the recognized stock exchange(s) wherein the securities of the Company are listed pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 "LODR".

“Policy” means this Policy on Succession Planning for the Board and Senior Management including any amendments, if any made from time to time.

“Senior Management Personnel” shall mean the persons occupying the position as Key Managerial Personnel in the Company and executives in the cadre from Vice-President and above.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the LODR regulations or any other applicable law or regulation to the extent applicable to the Company.

2. Objectives of the Succession Planning Policy

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

- a) To identify and nominate suitable candidates for the Board’s approval to fill the vacancies which arises in the Board of Directors 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 (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s).

3. Applicability

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

1. Board of Directors
2. Whole-time Directors including Managing Director & CEO
3. Chief Financial Officer
4. Company Secretary
5. Chief Compliance Officer
6. Executives in the cadre Vice-President and above
7. Any other positions within the Company at the discretion of the Managing Director & CEO in consultation with the Board of Directors

4. Succession Plan for the Board and Senior Management

The Nomination and Remuneration Committee of the Company shall oversee and review succession plans from time to time and recommend the same to the Board.

5. Succession Plan for the Board

The Nomination and Remuneration Committee shall proactively review the succession requirements for the Board and carry out the due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the Company based on his educational qualification, relevant experience, track record, reputation etc.

The proposed candidate shall be evaluated by the Nomination and Remuneration Committee to determine the eligibility and fit and proper criteria as per the Companies Act 2013, and the guidelines issued by the Reserve Bank of India, if any, and thereafter such candidature shall be recommended to the Board for its consideration and approval.

6. Succession Plan for Senior Management Personnel

Based on the inputs received from the Human Resource Department, the Nomination and Remuneration Committee shall periodically review any vacancy / probable vacancy in the position of Senior Management Personnel which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

For Key Managerial Personnel, the Nomination and Remuneration Committee shall in consultation with the Investor Director/s and the Board Chairman evaluate the suitability of any person based on factors viz., educational qualification, experience, age, health, leadership qualities, suitability to external market requirement / expectation etc., and recommend his/her candidature to the Board well before such vacancy arises to facilitate smooth transition.

The Nomination and Remuneration Committee shall also identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The Nomination and Remuneration Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

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 and hierarchy shall take interim charge of the position, pending a regular appointment in terms of the succession plan.

In addition to the above, the appointment of Key Managerial Personnel shall be made in compliance with all applicable provisions of the Companying Regulation Act, 1949, Companies Act, 2013 (including the rules made there under), Listing Regulations and RBI Guidelines etc.

7. Review of the Policy

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.

The Board has the power to amend / replace this Policy on recommendation by the Nomination Committee.