

**CENTRUM CAPITAL LIMITED**  
**POLICY ON SUCCESSION PLANNING FOR THE CEO, DIRECTORS, KEY**  
**MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL**  
**AND OTHER EMPLOYEES**

### **Preamble**

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.

Under 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 "Policy").

The primary objective of this Policy on Succession Planning is to ensure that employees are recruited and developed to fill each key role within the Company. Effective corporate succession planning increases the talent pool of capable individuals who are prepared to assume such roles as they become available. The benefit of succession planning is to reduce the risk associated with loss of experienced leadership. Succession planning ensures that businesses continue to run smoothly after the business' most important people viz. Directors, Key Managerial Personnel (i.e. CEO, CFO & Company Secretary) ("KMP"), Senior Management Personnel (i.e. Business and Functional heads one level below the Executive Chairman) and other employees of Centrum Capital Limited ("the Company" or "Centrum") move on to new opportunities, retire or pass away.

### **Major Principles and Objectives of the Policy on Succession Planning are as under:**

- a.** To ensure that the Company is prepared with a plan to support operations and service continuity when Key Management Personnel or Senior Management Personnel vacate their positions.
- b.** To prepare a talent pool and supply of suitably qualified and motivated employees for higher roles and responsibilities.
- c.** To ensure systematic and long term development of individuals in the KMP and SMP level to replace when the need arises due to the death, disability, retirement or any other unexpected occurrence.

### **Succession planning for appointment to the Board of Directors and Senior Management Personnel (SMP) and Key Management Personnel (KMP)**

The Nomination and Remuneration Committee (NRC) of the Board considers the candidature of the Executive Chairman, MD/CEO, Directors and SMP then recommends to the Board for necessary approvals.

The Nomination & Remuneration Committee of the Board, shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as Executive Chairman, CEO/ MD of the Company based on their educational qualification, experience & track record and any other criteria stipulated by the concerned regulators. Any appointment or re-appointment shall be subject to prior approval / recommendation by Nomination & Remuneration Committee of the Company.

In case of Key Managerial Personnel and the Senior Management Staff such appointments shall be taken up wherever is needed.

The Committee or the Board shall act according to the provisions laid down here in above subject to necessary approvals before such appointments or re-appointments

## The Executive Chairman along with the Head- HR:

- a. Shall periodically review and consider the list of SMP / KMP due for retirement / vacancies arising out of attrition during the year.
- b. Shall also consider the new vacancies that may arise due to the business needs/restructuring of functions/departments.
- c. In case if an SMP / KMP is due for retirement, will review the possibility of an extension of such personnel on basis of the health, age and the person's willingness to continue for an extended term. In case, if an extension is possible, such case is forwarded to the NRC of the Board for its approval.
- d. In case if such position is to be filled internally or externally, will evaluate the suitable candidates for the said positions internally as well as externally on basis of the criteria such as job role, experience, leadership qualities, competencies, track record etc.
- e. Shall from time to time identify high potential employees who merit faster career progression to position of higher responsibility and give them adequate skill development and training requirements for their successful career progression.

In the event of any unexpected occurrence in respect of any member in the SMP / KMP group, the next person as per the organization chart (as far as possible) shall take interim charge of the position, pending the formal appointment in terms of the succession plan.

Once the identification process is completed by the Executive Chairman and the Head- HR, the shortlisted candidates are further referred to the NRC.

The recommendation of the NRC shall be placed before the Board for approval.

In addition to the above, the appointment of senior personnel such as Chief Financial Officer, Company Secretary and other compliance professional like the Chief Risk Officer/Chief Compliance Officer to be made in compliance with all applicable provisions of the Companies Act, Listing Regulations, and such other laws as may be applicable to such appointment.

## Disclosures in the Board's Report

The disclosures as required under the relevant provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be made as per the extant provisions.

## Policy review

This Policy may be amended, modified or supplemented, from time to time, to ensure compliance with any amendment, modification or supplementation to the Companies Act, 2013 and rules made there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Act, 1992 and rules/regulations/ guidelines made there under, RBI regulations/guidelines or any other law and any other regulatory provisions applicable to the Company and/or its' business relating to employee/directors' compensation, issued from time to time.

Any such amendment shall be made by the Executive Chairman of the Company, which shall be ratified at the next meeting of the NRC of the Company, held after such amendment.

The NRC may issue/implement such guidelines, procedures, formats and/or reporting mechanisms to enforce this Policy as it may deem fit.