



**JM FINANCIAL ASSET RECONSTRUCTION
COMPANY LIMITED**

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

MAY 2022

1. Objectives

- The objective of this Policy is to ensure continuity of business process and also provide a way to identify key roles, people with the right skills and positions that may need filling when the need arises.
- In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of a listed entity shall satisfy itself that the plans are in place for orderly succession for appointments on the Board and to the Senior Management. In view of the same, the Company has formulated and adopted this Succession Planning Policy.

2. Applicability

- Policy focuses mainly on the Succession Planning at the Board and Senior Management level.
- Board or Board of Directors means the collective body of the board of directors of the Company.
- Senior Management shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this 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.

3. Key Elements

- Build a strong, effective and sustainable leadership pipeline.
- Preparing for the unexpected or in some cases, preparing for what is expected.
- Proactively prepare a smooth transition plan to ensure that the changes does not interrupt business.
- Preserving institutional knowledge and continuity.

4. Implementation Process

4.1 Succession Plan for the Board

- The responsibility of ensuring timely identification for the position of any Board member, lies with the Nomination and Remuneration Committee (the “NRC”) of the Board.
- The NRC shall identify persons, and recommend to the Board, who are qualified to become directors based on their educational qualifications, expertise, track record, integrity, skills and ‘fit and proper’ criteria’.

4.2 Succession Plan for the Senior Management

Identify what roles to plan for Succession with business leaders

The Human Resources team in consultation with the respective Head of Department and the Management, plan succession of respective position due to retirement, natural career progression and resignations. The Human Resources team should prepare a timeline sheet to identify the roles that will need succession plan.

Evaluate readiness for succession planning and leadership development

The Human Resources team, in consultation with the respective Heads of Department and the Management, shall develop a successor profile thereby enabling to gain a greater understanding of the key responsibilities and the requirements for each candidate to perform well in the role.

Understand future needs, skills, and competencies

Once key roles are identified and assessed, the Human Resources team, in consultation with the respective Heads of Department and the Management, shall identify the competencies required for each role for the individual to perform it

successfully. This will include defining skills, qualifications, personality attributes, etc. required for the role.

Identify and assess potential successors

The Human Resources team shall discuss career plans and interests with potential successors. They shall also, identify the key areas and positions that are vulnerable and the candidates who are ready to advance or whose skills and competencies could be developed within the required time frame. In case of non-availability, the said plan may involve selection of an external candidate having requisite skills, experience, leadership quality and expertise deemed necessary for the said position.

Create Development Plans to close gaps

After assessing the candidate's capabilities and identifying areas they need to improve on, the Human Resources team shall build a development plan based on the skills and capability gaps identified. The development plan will help candidates prepare for the potential new role by increasing their skills, competency and experience in the areas that need improvement.

The Human Resources team shall on an ongoing basis have a contingent plan to deal with sudden exits at the Senior Management level and shall identify employees who can be groomed to occupy senior level positions in case of any such eventuality.

Periodically assess effectiveness of succession planning and adjust as needed

To ensure effective implementation of the succession planning process, the Human Resources team shall regularly evaluate and monitor the progress of each candidate against the development plan. Implement an annual review framework to highlight the progress made by the candidates and to adapt plans accordingly.

5. 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.

6. Policy Review

This Policy may be reviewed from time to time and any amendment or modifications in this Policy shall be subject to the review by the NRC and approval by the Board of Directors of the Company.
