



## J. L. MORSION (INDIA) LIMITED

### Policy on Succession Planning for the Board and Senior Management

#### BACKGROUND

Pursuant to the provisions of Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), the Board of Directors of every listed company is required to be ready with plans in place for orderly succession for appointment to the board of directors and senior management. 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.

Accordingly, J. L. Morison (India) Limited (“**Company**”) has put in place this policy for orderly succession for appointment to the board of directors and senior management in the Company.

#### OBJECTIVE OF SUCCESSION PLANNING

The objectives of the succession planning program are as follows:

- To make a plan for orderly succession for appointment to the Board and Senior Management;
- To identify and proactively plan for critical work force positions, by developing a pool of potential successors and encouraging a culture that supports knowledge transfer and employee development;
- To ensure that necessary talent and skills will be available when needed, and that essential knowledge and abilities will be maintained when employees in critical positions leave;
- To build human resource programs that attract and retain qualified individuals;
- To implement a framework that identifies the competency requirements of critical positions, assesses potential candidates and develops required competencies through planned learning and development initiatives.

#### DEFINITIONS

“**Nomination and Remuneration Committee**” or “**Committee**” means the Committee of the Board constituted/re-constituted, from time to time, under the provisions of

Regulation 19 of the Listing Regulations, and Section 178 of the Companies Act, 2013, as amended.

**“Board of Directors” or “Board”** means the board of directors of the Company as constituted/re-constituted, from time to time.

**“Succession Planning”** means ensuring a continuous supply of highly qualified candidates to fill the critical or key positions in the company through following a systematic process.

**“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.

**“Senior Management”** means personnel of the Company who are members of its core management team, excluding the directors on the Board. This shall include all members of management one level below the executive directors, including all functional heads.

**“Critical or Key Positions”** means those positions that are instrumental in delivering on the commitments and corporate priorities or exert a critical influence on achieving operational and strategic goals of the Company.

**“Knowledge transfer”** means the act of transferring the knowledge from one individual to another by means of training, mentoring, coaching, documentation, or other methods such as the use of technology to capture, retrieve and share information.

## **GUIDING PRINCIPLES**

Succession planning must respect the legislative and policy provisions that ensure a consistent and equitable approach to competency-based selection and the principle of merit. The following guiding principles shall apply to succession planning:

- Should support the fundamental values of the Company viz. integrity, respect, impartiality, service and competence;
- Should strike a balance between the value of fairness, accessibility, transparency, and efficient use of companies / government resources for the current and future needs;
- Should align with the current and future business needs of the Company;
- Candidates should be assessed using the methods that are competency-based and free from conflict of interest;
- Communication should be open and in transparent manner.

## **RESPONSIBILITY FOR PUTTING IN PLACE AND IMPLEMENTATION OF SUCCESSION PLANNING**

The Board of Directors of the company shall satisfy itself that plans are in place for orderly succession for appointments to the board and senior management and are responsible for guiding the succession planning process in their respective departments and agencies and ensuring that a Succession Plan for identified positions is developed, communicated and implemented including the involvement of appropriate managers and employees.

## **BENEFITS OF PUTTING IN PLACE THE SUCCESSION PLANNING**

- Helps to align the strategic goals and human resources to enable the “right people in the right place at the right time” to achieve desired business results;
- Helps to develop a pool of qualified candidates ready to fill in the critical or key positions;
- Helps to provide stability in the core leadership and other critical positions to sustain a high-performing delivery of the services and to ensure the uninterrupted delivery of services and programs by the Company;
- Helps Identifying workforce renewal needs as a means of targeting necessary employee training and development;
- Helps the Company to realize individual’s career plans and aspirations within the organization;
- Helps Improving employees’ ability to respond to changing environmental demands, and;
- Helps for the timely corporate knowledge transfer.

## **REVIEW OF THE POLICY**

- The Nomination & Remuneration Committee will review the Policy periodically, which will include an assessment of the effectiveness of the Policy, and will recommend any such revisions to the Board for its approval.
- This Policy is approved and adopted by the Board of Directors of the Company in its meeting held on 29<sup>th</sup> January, 2021 with immediate effect.