



Veritas Finance
Limited
Policy for succession
Planning for Board and senior
Management Personnel

Doc. No: Policy/001
First Issue Date: 20.12.2019
Second Issue Date : 09.01.2025
Page: Page 1 of 5

VERITAS FINANCE LIMITED

**POLICY FOR SUCCESSION PLANNING FOR BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND
SENIOR MANAGEMENT PERSONNEL**

**POLICY ON SUCCESSION PLANNING FOR THE BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL
AND SENIOR MANAGEMENT PERSONNEL**

Objective

The primary objective of this Policy on Succession Planning (“**Policy**”) is to ensure that employees are recruited and developed to fill each key role within Veritas Finance Limited (“**Company**”). Effective corporate succession planning increases the availability 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’s most important people viz. board of directors (“**Board**”), key managerial personnel (KMP), senior management Personnel and other employees of the Company move on to new opportunities, retire or pass away.

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company is required to oversee the succession planning and shall satisfy themselves that plans are in place for orderly succession for appointments to the Board and to the Senior Management. In view of the same, the Company has formulated and adopted this Succession Planning Policy which was approved by the Board.

Applicability:

The Policy focuses mainly on succession planning at the Board and Senior Management level.

For the purposes of this Policy, ‘Senior Management’ shall mean and include the following:

- Members of Executive Management (i.e., employees one level below the Board);
- KMPs (other than whole-time director); and
- Any other person at the discretion of the Nomination and Remuneration Committee (“**NRC**”).

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

- a. To ensure that company is prepared with a plan to support operations and service continuity when Board and Senior Management Personnel vacate their positions.
- b. To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities.
- c. To ensure systematic and long-term development of individuals in the Board and Senior

Management Personnel level to replace when the need arises due to the death, disability, retirement or any other unexpected occurrence.

Succession planning at Board level

1. During the annual Board evaluation process, the Board shall discuss & deliberate on the need and timing of induction of new directors. If required, the Board may identify suitable candidates who may be inducted as a Board member.
2. The successors for the independent directors shall be identified by the NRC before the expiry of their scheduled term. If separation of independent directors is due to resignation or otherwise, the successor will be appointed at the earliest but not later than the statutory time limits as laid down by prevailing laws and regulations.
3. The Company shall ensure that the approval of shareholders, for appointments or regularization of Director, is duly taken as laid down by prevailing laws and regulations.
4. The successor(s) for the executive director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit.

Succession planning for appointment to the Senior Management Personnel (SMP) and Key Managerial Personnel (KMP)

The Nomination and Remuneration Committee (NRC) of the Board considers the candidature of the KMP and then recommends the same to the Board for necessary approvals.

The Nomination and 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 a KMP of the Company based on their educational qualification, experience & track record and any other criteria stipulated by the concerned regulators.

Any appointment or reappointment shall be subject to prior approval / recommendation by Nomination and Remuneration Committee of the Company. In case of Key Managerial Personnel and the Senior Management Personnel, 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 Managing Director and Chief Executive Officer along with the Head of Human Resources:

- 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 through 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 Managing Director & CEO 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 are 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.

Confidentiality:

The people responsible for execution of the 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.

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 RBI regulations/guidelines or any other law and any other regulatory provisions applicable to the Company and/or its' business relating to employee compensation, issued from time to time.

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

The Policy shall be reviewed periodically by the Board or such individuals or committees of individuals authorised to do so, by the Board and any change in the Policy shall be approved by the Board of the Company.

This policy shall stand auto-corrected/amended whenever there are any regulatory amendments.

Amendments and Updates

This policy will be reviewed periodically by the Board/ NRC as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors in cases of material changes to the Policy.

Interpretation

In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/modification in SEBI Listing Regulations, Companies Act and/or applicable laws in this regard shall automatically apply to this Policy. Further, terms not defined herein shall have the meaning ascribed to it under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.