

## **Prelude**

Succession Planning policy intends to ascertain the need for filling positions at the Board, senior management and other critical positions. It involves identification for the said roles, assessment of their potential and developing next generation of leaders as potential successors for key leadership roles in the organization. The process of development primarily concentrates on coaching, mentoring and training the identified employees to assume higher responsibilities, as and when the need arises.

The Company has adopted relevant regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Listing Regulations**"), in terms of which 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 Senior Management (as defined hereinafter).

In view of the same, the Company has formulated and adopted this Succession Planning Policy which was approved by the Board at its meeting on 12<sup>th</sup> February 2021. This Policy shall be effective from 12<sup>th</sup> February 2021.

## **Objective**

Succession Planning is a continuous process rather than a onetime event and hence, it is intended to put in place this Policy that aligns the talent management with the business objective and endeavours to mitigate the critical risks such as vacancy, readiness and transitional risk.

The objective of this Policy to ensure the business continuity by ensuring smooth orderly succession without impeding the performance. This policy intends to achieve the following:

- The business of the Company is not affected on account of interruptions caused due to superannuation or voluntary retirement or resignation or death or permanent incapacitation or sudden exit of any member of the Board, Executive Directors, Senior Management and other key employee covered under this Policy;
- To identify and create a talent pool of high potential personnel, who can be considered for appointment at the Board, Executive Directors, Senior Management and other critical positions and to groom them to assume such roles in the Company, whenever the need arises;
- To ensure timely and high quality replacements for those personnel who are currently holding positions as above said.

### **Applicability**

The Policy focuses mainly on the Succession Planning at the Board, Executive Board, Senior Management and other Key positions.

'**Executive Committee**' shall comprise of the Managing Director and Group CEO (**MD & GCEO**), Whole-time Director (**WTD**), Chief Executive Officer (**CEO**), Group Chief Financial Officer (GCFO), and Group Chief Technology Officer (GCTO), whether forming part of **KMP** of the Company or not.

'**Senior Management**' shall include the following:

- Members of Executive Committee;
- KMPs;

### **Implementation Process**

#### **A. Positions at the Directors and Executive Directors level**

The responsibility of ensuring timely replacement for positions of any Director lies with NRC. NRC shall identify and recommend name(s) of the candidate(s) to the Board, who has the requisite qualifications and attributes for being considered for such position(s).

For vacancies in the Executive Directors, NRC, shall recommend the name(s) of the candidate(s) (whether internal or external) who have the requisite qualifications and attributes for being considered for such position(s).

The NRC shall undertake a process of due diligence to determine the suitability of the person for appointment/re-appointment/continuation as a Director on the Board based upon qualification, expertise and criteria, as mentioned in the Nomination and Remuneration policy of the Company.

#### **B. Positions at the Senior Management (other than Executive Directors)**

NRC shall meet, at least, once a year to review the vacancies, if any, at Senior Management level (other than Executive Directors) and formulate and adopt an appropriate action plan. Such action plan, at the first instance, may relate to identifying and shortlisting an employee within the same location/function or through a lateral transfer of an employee from another location/function. 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.

NRC shall ensure that the external candidate fits into the Company's culture and has the ability to lead by example, work with the team, motivate them, work congenially with the other members of the Senior Management and staff members and demonstrate the ability to significantly contribute towards achievement of the strategic and business objectives.

It is also extremely important to have a contingent plan in place to deal with sudden exits at the said Senior Management level. The Human Resource Department shall, on an ongoing basis, identifies a select pool of employees who can be groomed to occupy senior level positions in case of any such eventuality and train them adequately.

### **C. Other Key Positions**

It is equally important to have succession plan, in place for key positions, within the functions, departments, plants and other critical position in the organisation. The recommended approach for Succession Planning for other key positions is detailed in Annexure A.

The Executive Committee shall half yearly meet to *inter alia* review the following:

- Identify the positions and incumbents targeted for succession planning;
- Identify individuals who possess the potential needed for progression into the targeted positions of leadership within their department or function;
- Outline the actions taken to be taken in the next six months to groom identified individuals to assume a role of elevated responsibility in the future;
- Based on such review, Executive Committee shall give its consent to implement the succession plan for the concerned department/function, within a definite time frame.

Hereinafter referred to as the "**Actions**".

While the responsibility of such Actions lies with the Executive Committee, the Executive Committee shall execute the Actions in consultation with the NRC.

### **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.



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**SUCCESSION PLANNING POLICY**

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### **Policy review**

This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations or as may be otherwise prescribed by the Board from time to time.

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Approved and Adopted by Board of Directors on – 12<sup>th</sup> February, 2021

### **Annexure A**

#### **STEP 1. Identify Key Areas and Positions**

Key areas and positions are those that are critical to the organization's operational activities and strategic objectives:

- Identify which positions, if left vacant, would make it very difficult to achieve current and future business goals
- Identify which positions, if left vacant, would be detrimental to the business continuity

#### **STEP 2. Identify Capabilities for Key Areas and Positions**

To establish selection criteria, focus employee development efforts, and set performance expectations and determine the capabilities required for the key areas and positions identified in Step 1:

- Identify the relevant knowledge, skills, abilities, and competencies needed to achieve business goals
- Use the Key Leadership Competencies profile
- Inform employees about key areas and positions and required capabilities

#### **STEP 3. Identify interested employees and Assess them against capabilities**

Determine who is interested in and has the potential to fill key areas and positions:

- Discuss career plans and interests with employees
- 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
- Ensure that a sufficient number of candidates and members of designated groups are in feeder groups for key areas and positions

#### **STEP 4. Develop and implement Succession and knowledge transfer plans**

Incorporate strategies for learning, training, development, and the transfer of knowledge into succession planning and management:

- Define the learning, training, and development experiences that the organization requires for leadership positions and other key areas and positions;
- Link employees' learning plans to the knowledge, skills and abilities required for current and future roles'
- Discuss with employees how they can pass on their corporate knowledge.