

CENTRUM HOUSING FINANCE LIMITED

POLICY FOR SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT PERSONNEL

Document Title	**Policy for Succession Planning for the Board and Senior Management Personnel**
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Introduction

Under Section 178 of the Companies Act, 2013 ("Companies Act"), the Company has constituted a Nomination and Remuneration Committee (" NRC") and the development of a Succession Plan for the Board and Senior Management is an object of the NRC. This is one of the most significant attempts to ensure that the Company/shareholders do not suffer due to sudden and unplanned gaps in leadership.

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 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 the business continues to run smoothly after the business' most important people, viz., Directors, Key Managerial Personnel (i.e., MD/CEO, CFO & Company Secretary) ("KMP"), Senior Management Personnel ("SMP") as identified by the NRC and other employees of Centrum Housing Finance Ltd ("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:

- To identify and nominate suitable candidates for the Board's approval (including NRC) to fill the vacancies which arises in the Board of the Company from time to time.
- To ensure that the Company is prepared with a plan to support operations and service continuity when KMP or SMP vacate their positions.
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- To prepare a talent pool and supply of suitable qualified and motivated employees for higher roles and responsibilities.

- To ensure systematic and long term development of individuals at KMP & SMP level to replace when the need arise due to death, disability, retirement or any other unexpected occurrence.

Succession planning for appointment to the Board of Directors and Senior Management Personnel.

I. Succession Planning for Board

The NRC, 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 Director of the Company based on their educational qualification, experience & track record, and every such person shall meet the 'fit and proper' criteria, and accordingly any appointment or re-appointment of a Director shall be subject to prior approval /recommendation by NRC of the Company. The Company has also framed a Nomination and Remuneration Policy to guide the Board in relation to appointment/reappointment/removal of Directors, to devise criteria for performance evaluation of Independent Directors and the Board and to ensure adequate diversity in the Board to make good use of the varied skills, regional and industry experience, background, gender and other qualities of the Directors.

II. Succession Plan for the Senior Management Personnel

- The Managing Director/CEO and the Head, Human Resources shall periodically review and consider the list of KMP due for retirement / vacancies arising out of attrition during the year.
- The Managing Director/CEO and the Head Human Resources shall also consider the new vacancies that may arise due to the business needs/restructuring of functions/departments and the Company's future growth plans.
- The Managing Director/CEO and the Head Human Resources shall assess the availability of suitable candidates either internally or externally keeping in view the talent available in-house along with organization's mission, vision, values and goals.
- In case if such position is to be filled either internally or externally, the Managing Director/ CEO and the Head Human Resources 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.
- The Managing Director/CEO and the Head - Human Resources 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 case if an KMP is due for retirement, the Managing Director/CEO and the Head Human Resources 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.
- Once the identification process is completed by Managing Director / CEO and theHead Human Resources, the shortlisted candidates are further referred to the NRC of the Board for a final evaluation. Based on the recommendation of the Managing Director/ CEO, and the Head Human Resources the NRC shall evaluate the candidates and after considering all factors including the available talent within the organization and the need to ensure continuous development and growth of the Company, make recommendation of appointment of the candidate to the Board.
- The recommendation of the NRC shall be placed before the Board for approval.
- In the event of any unexpected occurrence in respect of any member in the 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.
- Every member of the senior management team shall also endeavour to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.

Policy Review

The NRC/ Board shall review and monitor from time to time the implementation of this Policy to ensureits effectiveness and may also recommend changes, if any, to the Board for ensuing effective succession planning.