

POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

Introduction:

The Securities and Exchange Board of India (SEBI) has mandated as per the Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Board of Directors of every listed company shall satisfy itself that plans are in place for orderly succession for appointments to the Board of Directors and Senior Management.

As per the Nomination and Remuneration Policy adopted by the Company, the Nomination and Remuneration Committee is responsible for developing a succession plan for the Board and Senior Management. Further, per the Listing Regulations, overseeing succession planning is one of the key functions of the Board of Directors.

Accordingly, the objective of this policy is to make a plan for orderly succession for appointment to the Board and the Senior Management.

Definitions:

“Company” means IIFL SAMASAT FINANCE LIMITED (Erstwhile Samasta Microfinance Limited)

“Board” means Board of Directors of the Company as may be constituted/re-constituted from time to time.

“Committee” means the “Nomination and Remuneration 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.

“Independent Director” means a Director referred to in Section 149 (6) of the Companies Act, 2013.

“Key Managerial Personnel” means:

- Managing Director, Whole-time Director and other Board of Directors;
- Chief Financial Officer;
- Company Secretary;
- CXO (Chief Financial Officer, Chief Operating Officer, Chief Risk Officer & Chief People Officer)

Any other positions within the Company at the discretion of the Managing Director & CEO in consultation with the Board.

“Listing Regulations” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Senior management” shall mean officers/personnel of the entity who are members of its core management team excluding Board of Directors. 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 and CXO (Chief Financial Officer, Chief Operating Officer, Chief Risk Officer & Chief People Officer)

“**Policy**” means this Policy on Succession Planning for the Board and Senior Management including any amendments, if any made from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the LODR regulations or any other applicable law or regulation to the extent applicable to the Company

Objectives of the Succession Planning Policy:

The objectives of the succession planning policy shall, inter-alia, include the following:

- a) To identify and nominate suitable candidates for the Board’s approval to fill the vacancies which arises in the Board of Directors from time to time.
- b) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- c) To identify the key job incumbents in Senior Managerial positions and recommend whether the concerned individual (i) be granted an extension in term/service or (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s).

Applicability

The Policy shall be applicable for succession planning of the following personnel:

- Managing Director, Whole-time Director and other Board of Directors;
- Chief Financial Officer;
- Company Secretary;
- CXO (Chief Financial Officer, Chief Operating Officer, Chief Risk Officer & Chief People Officer)

Any other positions within the Company at the discretion of the Managing Director & CEO in consultation with the Board.

Succession Plan for the Board and Senior Management

The Nomination and Remuneration Committee of the Company shall oversee and review succession plans from time to time and recommend the same to the Board.

Succession Plan for the Board

The Nomination and Remuneration Committee shall proactively review the succession requirements for the Board and carry out the 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 his educational qualification, relevant experience, track record, reputation etc.

The proposed candidate shall be evaluated by the Nomination and Remuneration Committee to determine the eligibility and fit and proper criteria as per the Companies Act 2013, and the guidelines issued by the Reserve Bank of India, if any, and thereafter such candidature shall be recommended to the Board for its consideration and approval.

Succession Plan for Senior Management Personnel

Based on the inputs received from the Human Resource Department, the Nomination and Remuneration Committee shall review any vacancy / probable vacancy in the position of Senior Management Personnel which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

For Key Managerial Personnel & Senior Management Personnel appointment shall be considered and recommended by the Nomination and Remuneration Committee and thereafter approved by the Board Chairman to evaluate the suitability of any person based on factors viz., educational qualification, experience, age, health, leadership qualities, suitability to external market requirement / expectation etc., and recommend his/ her candidature to the Board well before such vacancy arises to facilitate smooth transition.

The Nomination and Remuneration Committee shall also identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The Nomination and Remuneration Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart and hierarchy shall take interim charge of the position, pending a regular appointment in terms of the succession plan.

In addition to the above, the appointment of Key Managerial Personnel shall be made in compliance with all applicable provisions of the Companying Regulation Act, 1949, Companies Act, 2013 (including the rules made there under), Listing Regulations and RBI Guidelines etc.

Review of the Policy

In case of any amendment (s), clarification(s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendments(s), clarification(s), circular(s) etc. shall prevail upon the provisions of this policy and the policy shall stand amended accordingly.

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.
