



DONEAR INDUSTRIES LIMITED

POLICY ON SUCCESSION PLANNING

PREAMBLE:

The Securities and Exchange Board of India (SEBI) has mandated the need for a succession policy pursuant to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is a necessary for Boards of all listed Companies to develop an action plan for orderly succession for appointment to the board of directors and senior management.

As per Section 178 of the Companies Act, 2013, the Company is required to constitute a Nomination and Remuneration Committee and development of a succession plan for the Board and senior management is an object of the Nomination and Remuneration Committee.

Succession Planning is an ongoing process that identifies necessary competencies, and then works to assess, develop, and retain a talent pool of employees, in order to ensure a continuity of leadership for all critical positions.

It is a plan formulated to implement, and customize and meet the business needs of department(s) thereby contributing for the organisational manpower requirements.

IMPORTANCE:

At Donear, we pursue Succession Planning as:

- a proactive and future focused process, which enables the company to assess, evaluate and develop a talent pool of individuals who are willing and able to learn and occupy higher positions when needed.
- a method, which helps the organisation in preserving its information and knowledge that will be lost due to retirement, promotion and attrition.
- a tool to meet the necessary manpower requirements of the company in terms of quality and quantity, by addressing competency and skill gaps.
- a developmental tool whereby high performing associates at various levels act as an understudy for the next position and take up the responsibility whenever necessary.



APPLICABILITY:

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

1. Managing Director and other Board of Directors;
2. Key Management Personnel and Senior Managerial Position, Chief Financial Officer, Company Secretary;
3. Any other positions within the Company at the discretion of the Managing Director in consultation with the Board.

KEY COMPONENTS

- **Position description and responsibilities / Competencies / Skills:**

Required skills are ranked in importance, and specific problem-solving attributes and behavioural traits also be addressed. This first step is completed independent of any considerations of candidates (unbiased approach).

- **Individual assessment and skills / Competencies, development needs:**

We aim to fill majority of positions created by senior management vacancies or changes in organizational responsibilities from within the organisation by making the appropriate Competency match between the position and the individual. We accordingly address the need to nurture existing personnel so that the associates can be readied in a short period of time to competently assume new responsibilities.

For associates covered in succession plan, senior management to provide additional Development activities to address skill and competency gaps. The Management team will play an active role in developing the associates to reach the next level and assume more responsibilities.

STEPS TO EXECUTE SUCCESSION PLANNING

- Identify Key/ critical positions in each Division / Department.
- Determine the required job Competencies for selected key positions.
- Determine the likelihood of these positions getting vacant in future.
- List down competency profile of the selected employees (through competency mapping).



- Analyse and match the competencies between the selected position & Employees who closely match the required competencies.
- Decide on two successors for the selected position.
- Employee with closest match to competency requirements of position will be the first successor to the position.
- The second successor will be the one with the second closest competency match to the position requirements and so on.
- Track overall progress.

ROLLOUT PROCESS:

- Succession planning is carried out across different Divisions / Departments of the company.
- Confidentiality to be maintained (Only chosen candidate to know of status)
- In case of critical position not getting vacant, associate must have alternative career plan.
- In case of critical position getting vacant and no internal successor is identified, recourse should be taken to hire external talent to ensure smooth functioning.

REVIEW OF POLICY:

This Policy shall be subject to review, if necessary. Any change/amendments to this Policy shall be approved by the Managing Director of the Company as delegated by the Board of Directors of the Company.