



BHARATI DEFENCE AND INFRASTRUCTURE LIMITED

Policy on Succession Planning

Approved by the Board of Directors on 23rd January 2025

POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

1. INTRODUCTION

Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires the Company to put in place succession plan for the Board and the members of the Senior Management.

The succession planning is a process of ascertaining the need for filling positions at the Board, senior management and other key 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 an organization. The process of development primarily concentrates on coaching, mentoring and training the identified employees to assume higher responsibilities when the need arises. The organization has always endeavoured to nurture, train and increase the skill sets of employees at all levels, with the key objective of ensuring smooth succession without impeding the performance in current roles and responsibilities.

The organization recognises that Succession Planning is a continuous process rather than a onetime event and hence, intends to put in place this Policy that aligns talent management with the said objective and endeavours to mitigate the critical risks such as Vacancy, Readiness and Transition risk.

2. APPLICABILITY

The Policy focuses mainly on the Succession Planning at the Board and Senior Management level.

- 2.1 'Board'** shall mean and include Directors of the Bharati Defence and Infrastructure Limited ("BDIL") appointed by the Board/Shareholders.
- 2.2 "Senior Management"** shall mean officers/personnel of the Company who are members of the core management team excluding the Board of Directors and 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.

3. OBJECTIVES

- To ensure that the business of the Organization is not affected on account of interruptions caused due to superannuation or voluntary retirement or resignation or death or permanent disability or sudden exit by any Member of the Board or Senior Management or any other 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 and Senior Management positions and to groom them to assume such roles in the Organization, whenever the need arises.
- To ensure timely and suitable succession for those personnel who are currently holding positions at Board and Senior Management level.

4. IMPLEMENTATION PROCESS

(a) Positions at the Directors level

The responsibility of ensuring timely replacement for positions of any Director of BDIL, lies with the Nomination and Remuneration Committee (NRC) / Board of BDIL, and the position of any Director(s) in the subsidiary/associate companies of BDIL lies with the respective company's NRC, if constituted, or its Board. The Compliance team will inform the NRC about any such vacancy.

For vacancies in the Board, the NRC in consultation with the Chairman and other Members of the Board, 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).

For other vacancies in the Board, the NRC shall identify and recommend name(s) of the candidate(s) who has 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, track record, integrity and other 'fit and proper' criteria, including KMPs wherever it is required under compliance.

In the event of any unexpected vacancy in the Board, NRC shall meet and appoint from a pool to take charge of the said position either on an interim basis or on a permanent basis.

POSITIONS AT THE SENIOR MANAGEMENT AND OTHER CRITICAL POSITIONS

The Board of BDIL and the Board of the subsidiary and associate companies of BDIL shall review, at least once in a year, the vacancies, if any, at Senior Management level and other critical positions and based on such requirements, shall formulate and adopt an appropriate action plan.

Such action plan, at the first instance, shall relate to identifying and short listing 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.

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

It is also extremely important to have a contingent plan in place to deal with exits whether with or without notice at the said Senior Management level. The Human Resource Department of the Group, on an ongoing basis, shall identify a select pool of employees who can be groomed to occupy senior level positions in case of any such eventuality and train them adequately.

POSITIONS AT OTHER LEVELS

Apart from the key positions mentioned above, it is equally important to have succession plans in place at the functional, branch and regional level, such as Regional Business Heads, Business Heads at the branches,

Functional Heads-National and other key Functional Heads in the branches which have large business volume, loan book outstanding and huge client base.

The Senior Management during regional meets shall meet the concerned Members of Executive Management, Functional Heads and Regional Business Heads to inter alia review the following:

- Identify key positions and incumbents targeted for succession planning. This will include an analysis of planned retirements and predictable turnover of employees / human resources in their respective branch/department.
- Identify individuals who possess the potential needed for progression into the targeted positions of leadership within their respective branch/department.
- Outline the actions 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, the Board shall give its consent to implement the succession plan for the concerned Region/Branch/Function, within a definite time frame.

5. 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.

6. 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, compliance with the applicable laws or as may be otherwise prescribed by the Board from time to time.

This Policy was approved by the Board of Directors at its meeting held on 23rd January, 2025.