



Policy on Succession Planning for The Board & Senior Management

Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")



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Vanya Steels Private Limited

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Background:

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 ("Listing Regulations"). This is one of the most significant attempts to ensure that investors do not suffer due to sudden or unplanned gaps in leadership. Boards of all listed companies are mandated to develop an action plan for the successful transition of key executives.

Pursuant to the Listing Regulations, Vanya Steels Private Limited ("Company") is required to establish a plan for orderly succession for appointment to the board of directors and senior management. This responsibility falls under Section 178 of the Companies Act, 2013 ("Companies Act"), which mandates the formation of a Nomination and Remuneration Committee. The development of a succession plan for the Board and senior management is a key objective of this Committee. Accordingly, this succession plan ("Succession Plan") for the appointment of the Directors on the Board and Key Managerial Personnel has been prepared to give effect to the provisions of the Listing Regulations.

Objective:

The objectives of the succession planning programme shall, *inter alia*, include the following:

- The process involves identifying potential candidates, assessing their suitability, and nominating them for the Board's approval (including Nomination and Remuneration/Compensation Committee) to fill the vacancies that arise in the Board from time to time.
- The succession planning programme aims to identify the competency requirements of critical and key positions in a comprehensive manner. It involves a thorough assessment of potential candidates and the development of required competency through planned development and learning initiatives. This approach instils confidence in the process.
- 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 (ii) be replaced with an identified internal or external candidate or recruit other suitable candidate(s) as per the service rules of the Company.
- To ensure the systematic and long-term development of individuals at the senior management level to replace them when the need arises due to deaths, disabilities, retirements, and other unexpected occurrences.

Applicability:

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

1. Executive Director;
2. Non-Executive Directors;
3. Independent Directors;
4. Managing Director and CEO and other Board of Directors;
5. Senior Managerial Position (SMPs)
6. Key Management Personnel and Senior Managerial Position:-
 - i) AVP & above
 - ii) Chief Financial Officer
 - iii) Company Secretary
7. Critical/Sensitive Key Positions in business leadership at the discretion of the MD & CEO;
8. Any other positions within the Company at the discretion of the Managing Director & CEO in consultation with the Board.

The words, terms and expressions referred to in this policy will have the same meaning as defined under the Companies Act, 2013 (the “Act”) and the rules made there under and the Listing Regulations, including any statutory modification or re-enactment thereto, as the case may be.

In this Policy, unless the contrary intention appears:

- a. the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b. a reference to a clause number includes a reference to its sub-clauses;
- c. words in singular numbers include the plural and vice versa.

Succession Plan:

The Nomination Committee of the Board shall review the Company's leadership needs from time to time. There are three types of Directors appointed on the Board of the Company.

As per the provisions of Section 203 of the Companies Act, the Company shall have the following Key Managerial Personnel:

- i. Managing Director or Chief Executive Officer or Manager and in their absence the Whole-time Director
- ii. Company Secretary

iii. Chief Financial Officer

The Nomination & Remuneration Committee of the Board ("NRC") shall be empowered to consider suitable candidates for appointment or re-appointment as Directors based on their expertise, educational qualifications, experience, and track record. Accordingly, any appointment or re-appointment of a Director shall be subject to prior approval by the NRC.

NRC will apply a due diligence process to determine the suitability of any candidate being considered for appointment/re-appointment as a director, and every such director shall meet the 'fit and proper' criteria, as may be stipulated from time to time.

The NRC shall be responsible for reviewing senior managerial roles due for retirement or those on notice period consequent to resignation/attrition within the year. The NRC shall also be responsible for considering new vacancies that may arise because of business needs or expansion.

The NRC shall evaluate the incumbent after considering all relevant criteria like qualification, experience, previous role, age, leadership quality, etc. and also to recommend to the Board whether the concerned individual should be granted an extension in term/service or be replaced with an identified internal or external candidate. It shall also identify the competency requirements of the Board/SMPs. The NRC may utilize the services of professional talent firms to assist in identifying and evaluating potential candidates wherever required. In the event of any unexpected occurrence in respect of any member of the senior management team, the next person as per the origination chart and hierarchy shall take interim charge of the position subject to the approval of the NRC, pending a regular appointment in term of the succession plan.

Confidentiality

All persons responsible for executing the Succession Planning Policy shall ensure confidentiality of the discussions and decisions regarding the prospective candidate, except that the information may be shared, if required, with the concerned candidate to prepare him for such elevation.

Amendment

Any amendments to this Policy or replacement of this Policy entirely with a new Policy will be recommended by NRC and will be approved by the Board. This Policy may be amended from time to time based on changing requirements as prescribed by the SEBI/Stock Exchange(s) or any other appropriate statutory authority.

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