



**Policy on Succession Planning for Board of Directors and Senior
Management**

Preamble

This Policy is formulated in accordance with the Circular No. Ref. No. DoS. CO. PPG/ SEC.3/ 11.01.005/ 2022-23 dated May 09, 2022 on Senior Management Personnel (SMP) and/ or Non-Executive Directors (NEDs) – Reporting of Exit and Succession Planning issued by Reserve Bank of India and Regulation 17 (4) of the SEBI (Listing Obligation and Disclosure requirement) Regulation 2015.

In terms of the RBI Regulation cited above, NBFCs are required to ensure implementation of non-disruptive and seamless succession plan as part of business continuity within a period of three months from occurrence of resignation/ removal/ early retirement of Non-Executive Directors and Senior Management. Regulation 17(4) of SEBI LODR requires the listed company to put in place plans for orderly succession for appointment of Board of Directors and Senior Management.

In view of the above, the Board of Directors of Muthoot Microfin Limited (“the Company”) has framed and adopted this Succession Planning Policy which was approved by the Board at its meeting on August 11, 2022.. This Policy shall be effective from August 11, 2022.

Definitions

“**Company**” shall mean Muthoot Microfin Limited

“**Board**” shall mean the Board of Directors of the Company.

“**Key Managerial Personnel**” shall mean key managerial personnel (KMPs) as defined in subsection (51) of Section 2 of the Companies Act, 2013.

“**NRC**” Nomination and Remuneration Committee of the Board of Directors of the Company

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

“**Senior Management Personnel**” shall mean the persons occupying the position as Key Managerial Personnel in the Company and who are members of the Company’s core management team.

Applicability

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

- Board of Directors.
- Whole-Time Director including Managing Director
- Chief Executive Officer
- Chief Financial Officer
- Company Secretary
- Chief Operating Officer
- Any other person at the discretion of the NRC.

Objective

- To ensure that the business of the Company is not affected on account of vacancies arising in the Board of directors or Senior Management or any other employee covered under this Policy, whether such vacancies are caused by reasons such as retirement, resignation, death, permanent disability or sudden exit for any other reason.
- 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
- To ensure timely and high quality replacements for those personnel who are currently holding positions at Board and Senior Management levels.

Succession Plan for Board of Directors and Senior Management

The NRC shall administer the succession plan and recommend the changes to the Board of Directors.

A. Succession Plan for Board

- The responsibility of ensuring timely replacement for positions of any Director, lies with the NRC of Directors of the Company
- The Company has framed a Nomination & Remuneration Policy to guide the Board in relation to appointment/re-appointment/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.
- 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 his educational qualification, relevant experience, track record, integrity and other 'fit and proper' criteria and subject to the eligibility criteria as prescribed under the Companies Act 2013, SEBI regulation and regulations issued by Reserve Bank of India.
- NRC shall recommend the candidature to the Board for its consideration and approval

B. Succession Plan for Senior Management

- NRC shall consider inputs from the Human resource Department/ Management and periodically 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.

The Company may also make efforts to fill vacancy of senior management personnel through internal promotion/ elevation subject to availability and in case there are no suitable candidates are available to fill the required position, external candidates would be considered.

- NRC shall also consider the new vacancies that may arise due to changing business needs or as per regulatory requirement
- For Key Managerial Personnel excluding Managing Director, the Nomination and Remuneration Committee shall in consultation with the Investor Director/s and Managing Director 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.
- In the event of an unexpected vacancy in respect of any senior management personnel, the next position as per the organisation chart and hierarchy shall take interim charge until the vacancy is filled.
- The NRC may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.
- The appointment of Key managerial Personnel / Senior Management shall be made in compliance with all the applicable provisions of Companies Act 2013 read with rules made thereunder, RBI Guidelines and SEBI LODR regulation 2015 amended from time to time.

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/ her for such elevation.

Policy review

This Policy may be reviewed by the NRC from time to time as and when required. Further this Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act 2013 and rules made thereunder, SEBI LODR regulation, RBI regulation/ guidelines or any other law or regulation applicable to the Company from time to time.

The Board has the power to amend / replace this Policy on recommendation by the Nomination Committee.