



**ALLIED DIGITAL SERVICES LIMITED**

**POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR  
MANAGEMENT**

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## POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

### **1. Background**

As per Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**the “SEBI Listing Regulations”**), the Board of Directors of every listed company is required to be ready with plans in place for orderly succession for appointment to the Board of Directors and Senior management. This is one of the most significant attempt to ensure that investors do not suffer due to sudden or unplanned gaps in leadership. It is a mandate for boards of all listed companies to develop an action plan for successful transition of key executives.

Succession planning is an essential component to the efficient operation and growth of any business. Succession planning is a tool for an organization to ensure its continued effective performance through leadership continuity. A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with talents.

Allied Digital Services Limited (**the “Company”**) recognises the importance of the process to succession planning to provide for continuity in the smooth functioning of the Company. There are certain positions in the Company that are key to its current and future growth. It is, therefore, important that these positions are assigned to duly skilled and best possible incumbents. It is critical to fill any vacancy(ies) in such position(s) well in time to avoid any leadership gap. The Company has therefore devised a Policy on Succession Planning for the Board and Senior Management (**the “Policy”**).

### **2. Definitions**

- **“Company”** shall mean Allied Digital Services Limited.
- **“Board of Directors”** or **“Board”** means the Board of Directors of the Company in terms of Regulation 2(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**) as constituted from time to time.
- **“Committee”** shall mean the Nomination and Remuneration Committee of the Board
- **“Key Managerial Personnel”** shall mean key managerial personnel (KMPs) as defined in sub- section (51) of Section 2 of the Companies Act, 2013.

- **“Listed Entity”** means any entity which has listed its securities on recognized stock exchange(s), in accordance with the listing agreement entered into with the stock exchange(s).
- **“Policy”** means this Policy on Succession Planning for the Board and Senior Management including amendments, if any made from time to time.
- **“Senior Management Personnel”** means personnel of the Company who are members of its core management team, excluding the Directors on the Board. This shall include all members of management one level below the executive directors, including all functional heads.
- **“Succession Planning”** means ensuring a continuous supply of highly qualified candidates to fill the critical or key positions in the company through following a systematic process.
- **“Critical or Key Positions”** means those positions that are instrumental in delivering on the commitments and corporate priorities or exert a critical influence on achieving operational and strategic goals of the Company.

### 3. Objectives

- A. To identify and nominate suitable candidates for the Board’s approval to fill any vacancy(ies) which may arise in the Board, from time to time;
- B. To identify the competency requirements of critical and key positions in the Company, 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 be granted an extension in term/ service; or be replaced with an identified internal or external candidate or recruit other suitable candidate(s); and
- D. To ensure the systematic and long-term development of individuals in the Senior Management level and to replace when the need arises due to resignations, death, disabilities, retirements and other unexpected occurrence.

#### **4. Applicability**

The Policy shall be applicable for succession planning of the members of the Board, Senior Management, and any other positions within the Company at the discretion of the managing director and/or the chief executive officer in consultation with the Board.

#### **5. Succession plan for the Board and Senior Management Personnel**

The Nomination and Remuneration Committee (the “Committee”) shall review the leadership needs of the Company from time to time and recommend the same to the Board.

##### **a. Succession plan for the Board:**

The Committee shall determine the suitability of every person who is being considered for appointment or re-appointment as a director based on his/ her educational qualification, experience, track record and contribution to the Board, as applicable, and every such person shall meet the ‘fit and proper’ criteria as may be stipulated by the Committee , from time to time, and accordingly any appointment or re-appointment of a director shall be subject to prior approval / recommendation by the Committee.

The Company has also framed a Nomination and Remuneration Policy and a Board Diversity Policy on to guide the Board in relation to the appointment/ re-appointment/ removal of the directors 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. Accordingly, the appointment/ re-appointment/ removal and tenure of Directors shall be governed by the provisions of the Nomination and Remuneration Policy for Directors and Senior Management Personnel.

##### **b. Succession plan for the Senior Management Personnel:**

The Committee shall periodically review and consider the list of Senior Management due for retirement/ attrition within a year. The Committee shall also consider the new vacancies that may arise by any vacancy / probable vacancy in the position of Senior Management Personnel which may arise on account of retirement, resignation, death, removal, transfer, incapacity whether temporary or permanent or otherwise, business needs/ up-gradation of department(s)/ regional office(s).

Considering the above, the Committee shall assess the availability, internally and / or externally as the case may be, of suitable candidates for the Company's future growth and development.

Further, based on the recommendation of the Managing Director, Executive Director and/or CEO, all KMPs, SMPs and Functional Heads shall be appointed. The Committee:

1. shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc., 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;
2. shall identify the competency requirements of Directors /Senior Management Personnel, assess potential candidates and develop required competency through planned development and learning initiatives.
3. may recommend appointing other suitable external candidate(s) as special recruitment in Senior Management based on the profiles and competency in order to provide a continuous flow of talented people to meet the organisational needs;
4. the prevailing promotion/ transfer policy or related policy of the Company shall be designed in such a way that the existing/ proposed Senior Management shall get all-round exposure in various domains to facilitate career progression, prepare them for administrative responsibilities and to discharge their functions effectively in senior positions;
5. every member of the Senior Management shall always endeavour to add capability in- house and mentor officials with potential working under him/ her to handle his responsibility in his/ her absence by exposing him/ her to all aspects of work being handled by him/ her; and
6. in addition to the above, the appointment of key managerial personnel as defined under Section 2(51) of the Companies Act shall be made in compliance with the applicable provisions of the Companies Act, read with the SEBI Listing Regulations.

## **6. Conflict in Policy**

In the event of any conflict between the Companies Act or the SEBI regulations or any other statutory enactments ("Regulations") and the provisions of this Policy, the Regulations shall prevail over this Policy.

## **7. Amendments**

Any subsequent amendment/modification in the Companies Act, SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

## **8. Review of Policy**

The Board has the power to review this Policy, from time to time, on the recommendation of the Nomination and Remuneration Committee.