POLICY ON SUCCESSION PLANNING FOR KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT

Human Resources

Svatantra Microfin Limited

Document Metadata

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2.	V1.1	07th August 2026	To align the policy with SEBI Listing Regulations

Confidentiality Statement

This document is the Policy on Succession Planning for Key Management Personnel & Senior Management *of the Svatantra Microfin Ltd, and shall not be used, circulated, quoted, or otherwise referred to for any other purpose, nor included or referred to in wholeor in part in any document without prior written consent from Svatantra management and its Human Resources team. This document is classified as a confidential document and may be published within* Svatantra *only after adequate consultation with Human Resources team. An appropriately redacted version may be published for general consumption by employees, and third-party contractors, and content from this document may be included in Svatantra's internal training programs if required, after appropriate approval*

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1. INTRODUCTION

- Succession planning is an important process for any organization to ensure smooth succession across employees of all levels and especially the Key Management Personnel (KMP) and Senior Management personnel without affecting the current roles and responsibilities and facilitating leadership and management continuity.
- Succession planning involves identification and assessment of potential and developing the next generation of leaders to assume higher responsibilities and key leadership roles in the organization.
- The organization recognizes 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.
- Succession planning is undertaken to ensure that plans are in place for orderly succession for appointments of the Key Management Personnel and Senior Management Personnel.
- The Securities and Exchange Board of India has mandated the need for a succession policy pursuant to Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (‘**SEBI Listing Obligations**’), in order to ensure that interests of investors of a listed company do not suffer on account of sudden or unplanned gaps in management of the company. Therefore, the Board of Directors of all listed companies are required to develop an action plan for successful transition of key executives in accordance with the Listing Regulations. Pursuant to the SEBI Listing Regulations, the Company is required to put in place a plan for orderly succession for the Board and Senior Management.

2. OBJECTIVE OF THE POLICY

- 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 incapacitation or sudden exit of any Key Management Personnel or Senior Management Personnel 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 as Key Management Personnel and/or for Senior Management positions and to groom them to assume such roles in the organization, whenever the need arises.
- To ensure timely and high-quality replacements for those personnel who are currently holding positions at Key Management Personnel and/or Senior

Management.

3. APPLICABILITY

- The Policy focuses mainly on the Succession Planning for Key Management Personnel and Senior Management.

- ‘Key Management Personnel’ shall mean and include the following:
  - KMPs which shall include Chief Executive Officer, Chief Financial Officer and Company Secretary (other than whole-time director);

- ‘Senior Management’ shall mean and include the following:
  - Personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors and including the functional heads.

4. POLICY GUIDELINES & FRAMEWORK

4.1. Role of Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of the Board will oversee and review succession plans from time to time and recommend the same to the Board.

4.2. Succession Planning for Key Management Personnel & Senior Management

- Key Management Personnel & Senior Management shall mean as defined above.

- The NRC shall meet, at least, once a year to review the vacancies, if any, at Key Management, Senior Management level and other critical positions and based on such requirements, shall formulate and adopt an appropriate action plan with assistance from the Human Resources Department.

- 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 NRC shall ensure that the external candidate fits into the organizations’ culture and has the ability to lead by example, work with the team, motivate them, work amiably 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.

- It is also extremely important to have a contingency plan in place to deal with sudden exits at the said Senior Management level. The Human Resource Department 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.

5. CONFIDENTIALITY

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

6. REVIEW AND AMENDMENT

The policy will be subject to review after a period of two years. This Policy may be amended, modified or supplemented by the NRC as required and recommended to the Board for its approval, from time to time, to ensure compliance with any amendment, modification or supplementation to the Companies Act, 2013 and any other guidelines issued by the regulatory authorities or as may be otherwise.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

The NRC and/or Board may issue/implement such guidelines, procedures, formats and/or reporting mechanisms to enforce this Policy as it may deem fit.

This policy shall be disclosed on the website of the Company.