



## IIFL Home Finance Limited

### SUCCESSION POLICY

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# Policy on Succession Planning

IIFL Home Finance Ltd (HFC)

CONFIDENTIAL

**IIFL Home Finance Limited**

Corporate Identity Number: U65993MH2006PLC166475

Corporate Office: Plot No.98, Udyog Vihar, Phase - IV, Gurgaon - 122015 (Haryana)

Registered Office: IIFL House, Sun Infotech Park, Road No. 16V Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400604

Tel: (91-124) 478 0900 • website: [iiflhomeloans.com](http://iiflhomeloans.com)

## Contents

1. Introduction
2. Definition
3. Objectives
4. Applicability
5. Review
6. Reporting

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

### **1. Introduction**

This Policy is formulated in accordance with Regulation 17(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, which requires the listed companies to put in place plans for orderly succession for all the members of the Board of Directors and Senior Management. As per Listing Regulations, overseeing succession planning is one of the key functions of the Board of Directors. Accordingly, the objective of this policy is to make a plan for orderly succession for appointment to the Board and the Senior Management.

Reserve Bank of India (RBI) has mandated all banks and non-banking finance companies to put a framework for immediate reporting of exits of Senior Management Personnel (SMP) and Non-Executive Directors (NED) and their Succession Plan.

### **2. Definitions**

**Senior Management Personnel** means:

- Managing Director, Whole-time Director, and other Board of Directors
- Chief Financial Officer
- Company Secretary
- Chief Risk Officer
- Chief Compliance Officer
- Any other positions within the Company at the discretion of the Managing Director & CEO in consultation with the Nomination and Remuneration Policy.

### **3. Objectives**

The objectives of the succession planning policy shall, inter-alia, include the following:

- a) To ensure that the business of the Company is not affected on account of vacancies arising in the Board of Directors or in the senior management, whether such vacancies are caused by reasons such as retirement, resignation, death or permanent incapacitation or sudden exit for any other reason.
- b) 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
- c) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives
- d) 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 (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s).

#### **4. Applicability**

The Policy shall be applicable for succession planning of the SMP and the Board

##### **Succession Plan for the Board and Senior Management**

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

##### **a) Succession Plan for the Board**

The NRC shall proactively review the succession requirements for the Board and carry out the 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/her educational qualification, relevant experience, track record, reputation etc. The proposed candidate shall be evaluated by the NRC to determine the eligibility and suitability as per the Companies Act 2013, and the guidelines issued by the Reserve Bank of India, if any, and thereafter such candidature shall be recommended to the Board for its consideration and approval.

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#### **b) Succession Plan for Senior Management Personnel**

Based on the inputs received from the Human Resource Department, the NRC shall 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.

For Key Managerial Personnel & Senior Management Personnel appointment shall be considered by NRC to 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 for its approval, well before such vacancy arises to facilitate smooth transition.

Through this Succession Planning Policy, the NRC will identify the competency requirements of SMPs, assess potential candidates and develop required competency through planned development and learning initiatives. With Succession Planning, it is aimed to have systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrences. The organization may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

In addition to the above, the appointment of SMP shall be made in compliance with all applicable provisions of the Banking Regulation Act, 1949, Companies Act, 2013 (including the rules made there under), Listing Regulations and RBI Guidelines etc.

#### **5. Review of the Policy**

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, then such amendments(s), clarification(s), circular(s) etc. shall prevail upon the provisions of this policy and the policy shall stand amended

accordingly. Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding

## 6. Reporting

As mandated by RBI, exit of SMP and /or NED by way of resignation / removal / early retirement (such as tendering resignation letter, management decision to terminate the services of any SMP, etc.) will be reported to National Housing Board (NHB) within two working days of such an occurrence

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