



Policy on Succession planning for Board and Senior Management

March 2019

Version Control:

Version	Reviewer	Approver	Revision date	Reason for review
1.0	EVP & Chief of HR & Management Services	Board	July 2017	New Document
2.0	EVP & Chief of HR & Management Services	Board	March 2019	Adoption of Single Policy Framework

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1. Introduction

1.1 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. It is a mandate for boards of all listed companies to develop an action plan for successful transition of key executives.

Section 178 of the Companies Act, 2013 ("Companies Act"), the Company is required to constitute a Nomination and Remuneration Committee and development of a succession plan for the Board and senior management is an object of the Nomination and Remuneration Committee.

Further, IRDAI guidelines for Corporate Governance requires insurers to have practices in place for succession planning for the key senior functionaries through a process of proper identification and nurturing of individuals for taking over senior management positions.

The Company has therefore put in place a Policy on Succession Planning for the Board and Senior Management (hereinafter called the "Policy").

1.2 Objective

The objective of the succession planning program shall, inter-alia, include the following:

- a) To identify and nominate suitable candidates for the Board's approval (including Nomination and Remuneration Committee) to fill the vacancies which arises in the Board of the Company from time to time.
- b) To identify the competency requirements of critical and key positions, 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 (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).
- d) To ensure the 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 occurrence.

1.3 Applicability

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

- i. Managing Director & CEO and other Board of Directors;
- ii. Senior Managerial Position:-
 - Deputy CEO
 - President - Marketing
 - Chief Information Officer

- President – Operations & IT
 - Chief Risk Officer
 - President (Business Strategy)
 - Chief Officer Investments
 - Appointed Actuary
 - Chief Financial Officer
 - Chief of HR & Management Services
- iii. Any other positions within the Company at the discretion of the Managing Director & CEO in consultation with the Board.

1.4 Review and approval of the policy

The policy will be reviewed by Nomination and Remuneration Committee and approved by the Board of Directors atleast annually or as and when required.

In case of non-adherence to the policy, the same shall be reported to the Nomination and Remuneration Committee and necessary action may be taken in this regard.

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 amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

2. Policy Requirements

The Nomination & Remuneration Committee of the Company shall review the leadership needs of the Company from time to time.

2.1 Succession Plan for the Board

The Nomination & Remuneration Committee of the Board, 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 their educational qualification, experience & track record, and every such person shall meet the 'fit and proper' criteria, and accordingly any appointment or re-appointment of a Director shall be subject to prior approval / recommendation by Nomination & Remuneration Committee of the Company.

2.2 Succession Plan for the Senior Managerial Personnel

The Nomination & Remuneration Committee shall periodically review and consider the list of senior managerial personnel due for retirement/attrition within the year. The Committee shall also consider the new vacancies that may arise because of business needs/up-gradation of Department(s)/Regional Office(s). Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future growth and development. Further, based on the recommendation of the Managing Director & CEO, the Nomination & Remuneration Committee:-

- 1) shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board whether the concerned individual
 - (i) be granted an extension in term/service or

(ii) be replaced with an identified internal or external candidates.

- 2) shall identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.
- 3) may recommend to the Board to appoint other suitable external candidate(s) as special recruitment in senior managerial level based on job roles and competency in order to provide a continuous flow of talented people to meet the organizational needs.
 - The prevailing promotion/transfer policy of Company shall be designed in such a way that the existing/proposed senior managerial personnel 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.
 - Where it is decided to appoint an external candidate, timely and planned steps shall be taken for selection of a suitable candidate so that the appointment is made well before the retirement/relieving of the concerned officer to ensure the smooth transition.
 - The recommendation of the Nomination & Remuneration Committee shall be placed to the Board for approval. While making its recommendation, the Nomination & Remuneration Committee shall consult with the Chairman, the Managing Director & CEO, as may be relevant and all factors including the available talent within the organization and the need to ensure continuous working and growth of the Company shall be carefully considered.
 - The Managing Director & CEO shall from time to time identify high-potential employees who merit faster career progression to position of higher responsibility and formulate, administer, monitor & review the process of skill development and identify the training requirements.
 - Every member of the senior management team shall always endeavor to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.
 - In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart (as far as practicable) shall take interim charge of the position, pending a regular appointment in terms of the succession plan.
 - In addition to the above, the appointment of Key Managerial Personnel (KMP) to be made in compliance with all applicable provisions of the Companies Act, 2013 (including the rules made there under), Listing Agreement and IRDAI applicable regulations.

3. Reporting

Respective department is responsible for reporting as per applicable regulations. The reporting should be as per the format/ template prescribed in applicable regulation, if available, else as per the format/ template approved by the Committee (as applicable).

4. Record keeping

All documents shall be preserved for a period as specified in the applicable regulations and as per Board approved Record Maintenance and Document Retention Policy.

5. Appendices

5.1 Definitions

5.1.1 “Key Management Person (KMP)” means members of the core management team of an insurer including all whole-time directors/ Managing Directors/ CEO and the functional heads one level below the MD/CEO, including the CFO, Appointed Actuary, Chief Investment Officer, Chief Risk Officer, Chief Compliance Officer and the Company Secretary

5.2 Detailed Version control sheet

Change in version no.	Section no.	Erstwhile section	New/Modified section	Reason for change
2.0	Across the document	Across the document	Across the document	Adoption of Single Policy Framework (Realignment of policy)