

FRAMEWORK ON SUCCESSION PLANNING

1. Background:

- Succession planning is a process of ascertaining the need for filling positions at the Board, senior management and other key positions. It involves identification for the said roles, assessment of their potential and developing next generation of leaders as potential successors for key leadership roles in an organization. The process of development primarily concentrates on coaching, mentoring and training the identified employees to assume higher responsibilities when the need arises. The India Grid Trust (IndiGrid) has always endeavored to nurture, train and increase the skill sets of employees at all levels, with the key objective of ensuring smooth succession without impeding the performance in current roles and responsibilities.
- IndiGrid recognises that Succession Planning is a continuous process rather than a onetime event and hence, intends to put in place this Framework that aligns talent management with the said objective and endeavours to mitigate the critical risks such as Vacancy, Readiness and Transition risk.
- In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board of Directors of IndiGrid Investment Managers Limited (Investment Manager of IndiGrid) is required to oversee the succession planning and shall satisfy themselves that plans are in place for orderly succession for appointments to the Board and to the Senior Management. In view of the same, the Investment Manager of IndiGrid has formulated and adopted this Succession Planning Framework. This Framework shall be effective from April 30, 2021.

2. Applicability:

- The Framework focuses mainly on the Succession Planning at the Board and Senior Management level.
- 'Executive Board' shall mean and include Whole-time Directors of Investment Manager of IndiGrid appointed by the Board/ Shareholders.
- 'Senior Management' shall mean and include the following:
 - Members of Executive Management (i.e., employees one level below the Board including but not limited to Chief Executive Officer, Chief Financial Officer, Company Secretary & Compliance Officer, Whole-time Director, Chief Investment Officer, Chief Operating Officer, Chief Design Officer, Head-HR);
 - Any other person at the discretion of the Nomination and Remuneration Committee ('NRC').

3. Objectives:

- To ensure that the business of IndiGrid 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 Member of the Board or Senior Management or any other employee covered under this Framework.
- To identify and create a talent pool of high potential personnel, who can be considered for appointment at the Board and Senior Management positions and to groom them to assume such roles in IndiGrid, whenever the need arises.

- To ensure timely and high quality replacements for those personnel who are currently holding positions at Board and Senior Management levels.

4. Implementation Process:

A. *Positions at the Directors level:*

- The responsibility of ensuring timely replacement for positions of any Director, lies with the NRC of Directors of Investment Manager of IndiGrid.
- For vacancies in the Executive Board, the NRC in consultation with the other Members of the Executive Board, shall recommend the name(s) of the candidate(s) (whether internal or external) who have the requisite qualifications and attributes for being considered for such position(s).
- For other vacancies in the Board, the NRC shall identify and recommend name(s) of the candidate(s) who has the requisite qualifications and attributes for being considered for such position(s).
- The NRC shall undertake a process of due diligence to determine the suitability of the person for appointment / re-appointment / continuation as a Director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.
- In the event of any unexpected vacancy in the Executive Board, NRC shall meet and appoint from a select pool of persons to take charge of the said position either on an interim basis or on permanent basis.
- In case of resignation or otherwise, Director will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.
- Subject to the applicable statutory provisions, the Board may also decide not to fill the vacancy caused at its discretion.

B. *Positions at the Senior Management and other critical positions:*

- The Executive Board in consultation with NRC shall review the vacancies, if any, at the Senior Management level and other critical positions and based on such requirements, shall formulate and adopt an appropriate action plan.
- Such action plan, at the first instance, shall relate to identifying and shortlisting an employee within the same function or through a lateral transfer of an employee from another function. In case of non-availability, the said plan may involve the selection of an external candidate having requisite skills, experience, leadership quality and expertise deemed necessary for the said position.
- The Executive Board shall ensure that the external candidate fits into the IndiGrid's culture and has the ability to lead by example, work with the team, motivate them, work congenially with the Members of the Senior Management and other staff members and demonstrate the ability to significantly contribute towards the achievement of the strategic and business objectives of IndiGrid.
- It is also extremely important to have a contingent plan in place to deal with sudden exits at the said Senior Management level. The Human Resource Department of Investment Manager of IndiGrid on an ongoing basis identifies a select pool of employees who can be groomed to occupy senior-level positions in case of any such eventuality and train them adequately.

C. Positions at other levels:

- Apart from the key positions mentioned above, it is equally important to have succession plans, in place, at the functional and regional level, such as Regional Heads, Functional Heads and other key Functional Heads.
- The Executive Board shall meet the concerned Members of Executive Management, Functional Heads and Regional Business Heads to *inter alia* review the following.
 - Identify key positions and incumbents targeted for succession planning.
 - Identify individuals who possess the potential needed for progression into the targeted positions of leadership within their region/ department.
 - Outline the actions taken to be taken in the future to groom identified individuals to assume a role of elevated responsibility in the future.
- Based on such review, the Executive Board shall give its consent to implement the succession plan for the concerned Region/ Function, within a definite time frame.

5. Confidentiality:

- All persons responsible for the execution of the Succession Planning Framework 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 for such elevation.

6. Framework review

- This Framework may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations or as may be otherwise prescribed by the Board from time to time.
