

HERANBA INDUSTRIES LIMITED

CIN: L24231GJ1992PLC017315

SUCCESSION POLICY FOR THE BOARD AND SENIOR MANAGEMENT PERSONNEL

(Framed under regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Approved on: May 30, 2023

BACKGROUND

Pursuant to regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), the board of directors of a listed entity is required to satisfy itself that plans are in place for orderly succession for appointment to the board of directors and the senior management.

Accordingly, the board of directors of Heranba Industries Limited (the “**Company**”) has adopted this Succession Policy (“**Policy**”) at its board meeting held on May 30, 2023.

The Nomination and Remuneration Committee (the “**Committee**”) of the company shall be responsible for implementing this policy and its related procedures.

The board of directors of the company will review amendments to this policy on the recommendation of the committee from time to time.

OBJECTIVE

Succession planning is an ongoing process required to ensure continuity and smooth functioning of the company. 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.

The Company recognizes importance of the process of Succession Planning, which provides continuity and smooth functioning. Moreover, there are few positions in the Company, which are key to its continued growth and hence, it is important, these positions are manned by skilled and best possible incumbents and that such positions whenever fall vacant are filled well in time to avoid any leadership gaps.

APPLICABILITY:

This Policy for succession planning is applicable to following personnel.

- Whole-time Directors and other Directors;
- Senior Managerial Personnel as defined under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SUCCESSION PLAN FOR BOARD OF DIRECTORS:

As far as Succession Plan for the Board of Directors is concerned the Nomination Committee of the Board, shall apply due diligence process to determine competency of person(s) being considered for appointment or re-appointment as a Director of the Company. This shall be based on his educational qualification, experience and record of accomplishment and every such person shall meet 'fit and proper' criteria, as the Company may stipulate from time to time. Accordingly, any appointment or re-appointment of a

Director shall be subject to prior approval by Nomination Committee of the Company.

SUCCESSION PLAN FOR SENIOR MANAGEMENT PERSONNEL:

The Nomination and Remuneration Committee of Heranba Industries Limited shall consider the list of senior managerial personnel due for retirement / attrition within the year. The committee shall also propose and recommend any new vacancy that may arise because of business/ organizational needs/ up-gradation of Department(s) or expansion of level of business. Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future succession, growth and development.

The following step will be taken to execute the Succession Planning:

1. Identify key critical positions in each division/department.
2. Determine the likelihood of these positions getting vacant in future.
3. Determine the required job Competencies for the position.
4. List down competency profile of the selected employees.
5. Analyze and match the competencies between the selected position and employees who closely match the required competencies.
6. Employee with closest match to competency requirements of position will be the successor to the position.
7. Track overall progress of the selected candidate.
8. Evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board of Directors whether the concerned individual be granted an extension in term/service or be replaced with an identified internal or external candidates.
9. Identify the competency requirements of Directors / Key position Employee, 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.
10. 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 recommendation of the Nomination and Remuneration Committee shall be placed to the Board for final approval. While making its recommendation, the Nomination and Remuneration Committee shall consult with the Chairman/ Managing Director, as may be relevant and all key factors including the available talent within the organization and the need to ensure availability of continuous service with growth of the Company shall be carefully considered.

The Managing Director and Head-Human Resources 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.

11. Appointment of Key Managerial Personnel such as Company Secretary, Chief Financial Officer and other Compliance Professionals shall be made in compliance with and confirming applicable provisions of relevant laws.

The vacancy or fresh appointments at the senior management level shall be in line with the internal policy/ies adopted by the management. The mission, vision, values, goals and objectives of the Company will be kept in mind while a selected candidate for senior management.

INDUCTION OF DIRECTORS:

1. On appointment, the directors shall receive a Letter of Appointment setting out the terms of appointment, duties and responsibilities. Each newly appointed director will be taken through a formal induction programme.
2. The induction process should be designed in such a way so as to familiarize them with the Company, their rights and responsibilities in the Company, nature of industry in which the Company operates, and business model of the company.
3. It shall be ensured that the Directors are updated as and when required of their roles, responsibilities and liabilities.
4. The Company may organize site visits for Directors from time to time.

REVIEW AND MONITORING:

The Board shall review and monitor the implementation of this Policy at its discretion to ensure its effectiveness and for ensuring effective succession planning.

AMENDMENTS TO THIS POLICY:

The Board shall have the power to clarify any doubt or rectifying any anomalies in connection with the effective execution of this policy.

The board reserves the right to amend this policy from time to time based on the changing requirements as prescribed by the SEBI/Stock Exchange or any other appropriate statutory authority.

DISCLOSURE OF SUCCESSION POLICY:

This Policy shall also be uploaded on the website of the company at www.heranba.co.in.
