

# **BCL ENTERPRISES** **LIMITED**

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

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## **BACKGROUND AND SIGNIFICANCE**

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, as amended from time to time ("Listing Regulations"), in order to ensure that interests of investors of a listed company does not suffer on account of sudden or unplanned gaps in management of the company. Therefore, the board of directors ("Board") 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 Listing Regulations BCL Enterprises Limited (the "Company") is required to put in place a plan for orderly succession for the Board and senior management. For this purpose, senior management shall mean officers / personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise of all members of management one level below the chief executive officer / managing director / whole time director / manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

Key positions in the Company, which are important for the Company's current and future growth, are assigned to qualified and competent professionals. Succession planning is crucial to the growth and sustainability of any business and a tool for an organization to ensure its continued effective performance through leadership and management continuity through timely fulfilment of key vacancies.

In view of the above, the Company has formulated the following Policy on Succession Planning for the Board and Senior Management of the Company ("Policy"). The Policy shall become effective from 1<sup>st</sup> April, 2016.

## **OBJECTIVES**

The objectives of the Policy are, inter alia, as under:

1. To identify and nominate suitable candidates for the Board's approval to fill vacancies which may arise in the Board from time to time.
2. To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
3. To identify the key job incumbents in senior management positions and recommend whether the concerned individual be granted an extension in term/service or be replaced with an identified internal or external candidate or recruit other suitable candidate(s); and
4. To ensure the systematic and long-term development of individuals in the senior management level to replace as and when the need arises due to deaths, disabilities, retirements, separations and other occurrences.

## **DEFINITIONS**

1. **“Company”** shall mean BCL Enterprises Limited
2. **“Board” or “Board of Directors”** means the board of directors of the company as constituted/ re-constituted from time to time.
3. **“Key Managerial Personnel” or “KMP”** shall mean key managerial personnel (KMPs) as defined in subsection (51) of Section 2 of the Companies Act, 2013.
4. **“NRC” or “Nomination and Remuneration Committee”** means committee of the Board of Directors of the Company constituted/ re-constituted from time to time under section 179 of the companies act, 2013 and regulations 19 of SEBI (LODR) Regulations, 2015
5. **“Policy”** means this Policy on Succession Planning for the Board and Senior Management including any amendments, if any made from time to time.
6. **“Senior Management Personnel”** shall mean the persons occupying the position as Key Managerial Personnel in the Company and who are members of the Company’s core management team.
7. **“The Act” or “Companies Act”** means the companies act, 2013 as originally notified and amended from time to time.
8. **“LODR Regulations”** means the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as originally notified and amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the LODR regulations or any other applicable law or regulation to the extent applicable to the Company.

## **APPLICABILITY OF THE POLICY**

The Policy focuses mainly on the Succession Planning at the Board and Senior Management level, included the following: -

- Board of Directors.
- Whole-Time Director including Managing Director
- Chief Executive Officer
- Chief Financial Officer
- Company Secretary
- Chief Compliance Officer
- Any other Position at the discretion of the NRC.

## **PROCEDURE FOR SUCCESSION**

### **i. Succession Plan for the Board**

The Committee shall identify suitable persons from among the existing top management personnel or from outside the Company to fill up the vacancy at the Board level.

The Committee shall apply a diligence process to determine the suitability of every person who is being considered for appointment or re-appointment as a director of the Company based on his/her educational qualifications, experience and track record.

The proposed candidate shall be evaluated by the Nomination and Remuneration Committee to determine the eligibility and proper criteria as per the Companies Act 2013, and if any, and thereafter such candidate shall be recommended to the Board for its consideration and approval. Such appointment, re-appointment or removal shall be in accordance with the applicable provisions of the Companies Act, the Listing Regulations and other laws as applicable to the Company.

### **ii. Succession Plan for the Senior Management:**

The Committee shall periodically review and consider the list of Senior Management due for retirement or resignation within the year. The Committee shall also consider new vacancies that may arise because of business needs or up-gradation of department(s). Accordingly, the Committee shall assess the availability of suitable candidates for the Company's future growth and development.

The vacancy or fresh appointments at the Senior Management level shall be in line with the internal policy (ies) adopted by the management, keeping in view the organization's mission, vision, values, goals and objectives.

For Key Managerial Personnel, the Nomination and Remuneration Committee shall in consultation with the Senior Management and the Chairman of the Board 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 well before such vacancy arises to facilitate a smooth transition.

The Nomination and Remuneration Committee shall also identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The Nomination and Remuneration Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

NRC May recommend to appoint other suitable external candidate(s) as special recruitment in Senior Management Personnel based on the profiles and competency in order to provide a continuous flow of talented people to meet the organisational needs.

The Board may authorize the Committee to frame an internal policy for identifying and developing an internal pool of talent for future leadership role in different department(s)/division(s) in accordance with the requirement of such department(s)/division(s).

The Chairperson & Managing Director, the Executive Directors and the Head – Human Resources shall also, from time to time, identify & recommend high-potential employees who merit faster career progression and formulate, administer, monitor and review the process of skill development and identify training requirements in respect of such employees.

The appointment of Senior Management shall be in accordance with the applicable provisions of the Companies Act, the Listing Regulations and other laws as applicable to the Company.

### **EMERGENCY SUCCESSION OR TEMPORARY CHANGE**

If a director's slot/Senior Management's position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee/ Executive Directors shall convene a special meeting as early as possible to implement the process described herein, subject to the necessity involved.

For a temporary change in executive leadership (i.e., illness or leave of absence for long time), the immediate junior officer, reporting to such executive, shall take charge in place of his/her senior until the senior executive re-joins the office or if he/she is not competent in the view of the Chairperson and Managing Director or the Committee, then such other person who is competent to take the charge as may be decided by the Managing Director or the Committee will take charge until the senior executive re-joins the office

### **REVIEW, AMENDMENT AND APPROVAL OF THE POLICY**

The policy will be reviewed and Approved by the Nomination and Remuneration Committee and the Board of Directors or such individuals or committees of individuals authorised to do so by the Board 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.

Any subsequent amendment/modification in the Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and/or other applicable laws in this regard shall automatically apply to 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 amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

**Date:** 01<sup>st</sup> April, 2016