



CIN: U74101UP2011PLC047839

POLICY ON SUCCESSION PLANNING

1. PREAMBLE:

The Board of Directors ("Board") of **Abacus Lifestyle Brands Limited** ("Company") recognizes that effective succession planning is essential for ensuring continuity of leadership, preserving institutional knowledge, and supporting the long-term success of the Company.

This Succession Planning Policy ("Policy") has been formulated in accordance with the applicable provisions of the Companies Act, 2013, Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and other applicable laws, as amended from time to time. Accordingly, the Board of the Company has approved and adopted this policy on orderly succession planning for the Board and Senior Management.

2. OBJECTIVE:

The succession planning is an essential component to the survival and growth of any business. Succession planning is a tool for an organization to ensure its continued effective performance through leadership continuity. The objective of this policy to ensure the orderly identification and selection of new directors or senior management in the event of any vacancy, whether such vacancy exists by reason of an anticipated retirement, an unanticipated departure, the expansion of the size of the Company or otherwise.

3. APPLICABILITY:

This Policy shall apply to the succession planning of:

- a) Directors on the Board, including Independent Directors;
- b) Managing Director, Whole-time Directors and Chief Executive Officer, where applicable;
- c) Key Managerial Personnel ("KMP") as defined under the Companies Act, 2013;

As on the date of this Policy, the Company does not have any Senior Management Personnel ("SMP") as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other critical positions identified by the Board of Directors or the Nomination and Remuneration Committee ("NRC"). Accordingly, the provisions of this Policy relating to succession planning for such positions are presently not applicable. However, upon the appointment of any Senior Management Personnel or identification of any other critical position by the Board or the NRC in the future, this Policy shall automatically become applicable to such personnel and positions without requiring any further amendment to the Policy.

4. DEFINITIONS:

Unless the context otherwise requires:

"**Board**" means the Board of Directors of the Company.

"**Committee**" means the Nomination and Remuneration Committee of the Company.

"**Key Managerial Personnel (KMP)**" shall have the meaning assigned under Section 2(51) of the Companies Act, 2013.

"**Senior Management Personnel (SMP)**" shall have the meaning assigned under the SEBI Listing Regulations, as amended from time to time.

5. SUCCESSION PLAN FOR THE BOARD & KMP/SMP:

The Nomination & Remuneration Committee (NRC) shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the Board Level. The NRC shall apply a due diligence process to

determine suitability of the person who is being considered for appointment or reappointment as Director of the Company based on his/her education qualification, experience and track record.

The Board framed a Nomination & Remuneration Policy in relation to appointment/ reappointment of Directors & Senior Management in accordance with the provision of Companies Act, 2013 and Listing Regulations. Hence, the appointment / reappointment of Directors shall be governed by the provisions of Nomination & Remuneration Policy of the Company.

The NRC shall periodically review and consider the list of KMP/SMP due for retirement within the year. The NRC shall also consider the new vacancies that may arise because of expansion of business and up-gradation of department(s).

For the above purpose, the NRC shall consider all relevant criteria like experience, qualification, age and leadership quality and recommend the appointment of incumbent to the Management.

The NRC may consider appointing other suitable external candidates based on job roles and competency, in order to provide a continuous flow of talented people to meet the organizational needs.

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.

HR Head shall from time to time identify high potential employees who merit faster career progression to the position of higher responsibility and formulate, administer, monitor and review the process of skill development and identify the training requirements.

In case of any unexpected occurrence in respect of any member in the core management team, the next person as per the organisation chart of the Company shall take interim charge of the position, pending a regular appointment in terms of the succession plan.

The appointment of Key Managerial Personnel such as Chief Financial Officer (CFO), Company Secretary (CS) and other Compliance Professionals like Internal Auditor (if employee) shall be made in the accordance with the provisions of the Companies Act, 2013 read with the Listing Regulations.

6. CONFIDENTIALITY

All persons responsible for the execution of the Succession Planning Policy 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.

7. 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.

**On and behalf of the Board of Directors
For Abacus Lifestyle Brands Limited**



**Sunit Kumar Mishra
Managing Director
DIN: 05124540**