



**KUMAR ARCH TECH  
LIMITED**

**(Formerly known as Kumar Arch  
Tech Private Limited)**

**POLICY ON SUCCESSION PLAN FOR  
BOARD AND SENIOR MANAGEMENT  
PERSONNEL**

**(As envisaged under regulation 17(4) and Schedule II (D)(A)(3) of the  
Securities and Exchange Board of India (Listing Obligations and  
Disclosure Requirements) Regulations, 2015)**

**Version – 01**

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**Effective Date: September 09, 2024**

## **POLICY ON SUCCESSION PLAN FOR BOARD AND SENIOR MANAGEMENT PERSONNEL**

### **1. BACKGROUND**

The Securities and Exchange Board of India has mandated the need for a succession policy pursuant to Regulation 17(4) and Schedule II (D)(A)(3) 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 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, Kumar Arch Tech Limited (“Company”) is required to put in place a plan for orderly succession for the board of directors (“Board”) and senior management. For this purpose, senior management shall mean officers/personnel of the listed entity 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 whole-time directors, including all functional heads.

Succession planning is crucial to the survival and growth of any business and a tool for an organization to ensure its continued effective performance through leadership and management continuity.

The Company appreciates the importance of succession planning to ensure continuity in its smooth functioning. Key positions in the Company, which are important for the Company’s current and future growth are assigned to qualified and competent professionals. It is imperative to fill up vacancies in such positions well in time to ensure continuity in leadership and management of the Company.

In view of the above, the Company has formulated the following policy regarding succession planning for the Board and senior management of the Company (“Policy”).

### **2. OBJECTIVES OF THE POLICY**

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

- a. To identify and nominate suitable candidates for the Board’s approval to fill vacancies which may arise in the Board 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 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

- d. 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, and other unexpected occurrence.

### **3. APPLICABILITY OF THE POLICY**

This Policy shall be applicable to

- a. All members of the Board of Directors of the Company; and
- b. Senior Management Personnel which shall mean personnel of the Company who are members of its core management team excluding Board of Directors. This would comprise all members of management one level below the executive Director and shall include the Company Secretary and Chief Financial Officer.

### **4. SUCCESSION PLANNING FOR APPOINTMENT OF DIRECTORS AND SMPs (Senior Management Personals)**

The NRC (Nomination and Remuneration Committee) shall review the leadership needs of the Company from time to time.

- a. Board - The NRC (Nomination and Remuneration Committee) shall proactively review the succession requirements for the Board and carry out the due diligence process to determine the suitability of every prospective person for being appointed or re-appointed as a Director of the Company based on his knowledge or educational qualification, experience, track record, reputation etc. The proposed candidate shall be evaluated by the NRC (Nomination and Remuneration Committee) to determine the eligibility and fit and proper criteria as per the Companies Act 2013, and thereafter such candidature shall be recommended to the Board for its consideration and approval.
- b. SMP - Based on the inputs received from the Human Resource department, the NRC (Nomination and Remuneration Committee) shall periodically review any vacancy/probable vacancy in the position of SMP (Senior Management Personals) which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

There are three types of Directors being appointed on the Board of the Company – Executive, Non-Executive and Independent Directors.

In light of the above, the NRC (Nomination and Remuneration Committee) shall consider the candidature of the Directors and then recommend to the Board for necessary approvals from SEBI (The Securities and Exchange Board of India). In case of SMP (Senior Management

Personals), such appointments shall be taken up as required as per its terms of references for advising the management. The NRC (Nomination and Remuneration Committee) or the Board shall act according to the provisions laid down herein above, subject to necessary approvals before such appointments or reappointments.

In this context, the new requirements as per the business plans and other positions which may arise as per business requirements should be suitably incorporated in the service rules of the Company. Key compensation elements shall be dealt under the service rules for SMP (Senior Management Personals) which is reviewed by the NRC (Nomination and Remuneration Committee) and the Board as and when necessary.

For appointment of an external candidate, selection of the suitable candidate shall be prompt and planned, so that the appointment is before the retirement/relieving to ensure the smooth transition.

- The NRC (Nomination and Remuneration Committee) upon the recommendations of the Human Resource department shall periodically review and consider the list of SMP (Senior Management Personals) due for retirement/attrition within the year. The NRC (Nomination and Remuneration 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 NRC (Nomination and Remuneration Committee) shall assess the availability of suitable candidates for the Company's future growth and development. Further, based on the recommendation of the Chairman and Managing Director and Human Resource department, the NRC (Nomination and Remuneration Committee) shall identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The NRC (Nomination and Remuneration Committee) may consider the internal candidates for key roles on an urgent basis before engaging with external search firms to assist in identifying and evaluating potential candidates.
- The NRC (Nomination and Remuneration Committee) shall periodically review and consider the list of SMP (Senior Management Personals) due for retirement/ vacancies arising out of attrition during the year.
- Consider new vacancies that may arise due to the business needs/restructuring of functions/departments.
- In case the SMP (Senior Management Personals) is due for retirement, will review the possibility of an extension of such personnel on basis of the health, age, and the person's willingness to continue for an extended term. In case, if an extension is possible, the Board will send such case to the NRC (Nomination and Remuneration Committee) for its approval.

- In case if such position is to be filled through internally or externally, NRC will evaluate the suitable candidates for the said positions internally as well as externally on basis of the criteria such as job role, experience, leadership qualities, competencies, track record etc.

The Chairman and Managing Director and Human Resource department of the Company shall, from time to time identify high-potential employees who merit faster career progression to positions of higher responsibility and formulate, administer, monitor and review the process of skill development and identify the training requirements.

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) or any person as may be identified as suitable by the Chairman and Managing Director, 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 senior personnel such as Chief Financial Officer, Company Secretary and other compliance professionals like the Chief Risk Officer, Compliance Officer, shall be in compliance with all applicable provisions of the Companies Act, SEBI Listing Regulations, and such other laws as applicable to such appointment.

The Board shall review this Policy periodically and if required, will make suitable changes in this Policy keeping in view any regulatory changes or changes in the business environment.

## **5. COMPLIANCE**

The NRC shall be responsible for supervision of the Policy.

Any queries regarding this Policy shall be referred to the NRC, who is in charge of administering, enforcing and updating this Policy.

## **6. CONFLICT IN POLICY**

In the event of any conflict between the Companies Act or the SEBI regulations or any other statutory enactments (“Regulations”) and the provisions of this Policy, the Regulations shall prevail over this Policy.

## **7. DISSEMINATION OF THE POLICY**

This policy shall be uploaded on the website of the Company i.e. [www.echon.co](http://www.echon.co)

## **8. REVIEW AND AMENDMENTS IN THE POLICY**

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.

Any subsequent amendment/modification in the Companies Act, SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

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