

CIN: U45200MH1986PLC039813



ARKADE DEVELOPERS LTD.

(Formerly known as Arkade Developers Pvt. Ltd.)

Policy on succession planning for the Board and Senior Management

Corporate Office

***Arkade House, Next to Children's
Academy,
A.S. Marg, Ashok Nagar, Kandivali
(E), Mumbai 40 0101***

a | Arkade House, Next to Children's Academy,
A.S.Marg, Ashok Nagar, Kandivali (E),
Mumbai 400 101, Maharashtra, India

t | 022 28863787 / 28863785
f | 022 28874742
e | info@arkade.in
w | www.arkade.in



**Background:**

The Securities and Exchange Board of India (SEBI) has mandated the need for a succession policy pursuant to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Listing Regulations**"). This is one of the most significant attempts to ensure that investors do not suffer due to sudden or unplanned gaps in leadership. It is a mandate for boards of all listed companies to develop an action plan for successful transition of key executives. Pursuant to the Listing Regulations, Arkade Developers Ltd ("**Company**") is required to put in place a plan for orderly succession for appointment to the board of directors and senior management.

Whereas under Section 178 of the Companies Act, 2013 ("**Companies Act**"), the Company is required to constitute a Nomination and Remuneration Committee and development of a succession plan for the Board and senior management is an object of the Nomination and Remuneration Committee.

Accordingly, this succession plan ("**Succession Plan**") for the appointment of the Directors on the Board and Key Managerial Personnel has been prepared to give effect to the provisions of the Listing Regulations.

Objective:

The objectives of the Succession Plan shall, inter-alia, include the following:

- ▣ To identify and nominate suitable candidates for the Board's (including Nomination and Remuneration/Compensation Committee) approval to fill the vacancies which arises in the Board from time to time which will be subject to the approval/prior approval of SEBI respectively in terms of the Listing Regulations and SEBI (Depository & Participants) Regulations, 1996.
- ▣ To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- ▣ To identify the key job incumbents in Senior Managerial 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
- ▣ To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrences.





Applicability:

The Policy shall be applicable for succession planning of the following personnel:

1. Managing Director and CEO and other Board of Directors
2. Key Management Personnel and Senior Managerial Position:-
 - i) AVP & above ii) Chief Financial Officer iii) Company Secretary
3. Any other positions within the Company at the discretion of the Managing Director & CEO in consultation with the Board.

Succession Plan:

The Nomination Committee of the Board shall review the leadership needs of the Company from time to time.

Succession Plan for the Board and the senior management

There are three types of Directors being appointed on the Board of the Company.

As per the provisions of Section 203 of the Companies Act, the Company shall have the following Key Managerial Personnel:

- i. Managing Director or Chief Executive Officer or Manager and in their absence the Whole-time Director
- ii. Company Secretary
- iii. Chief Financial Officer

In terms of Regulation 24 of the SEBI (Depositories and Participants) Regulations, 2018, the governing body of the depository shall include:

- i. Non-independent directors;
- ii. Public interest directors; and
- iii. Managing director.

The Nomination and Remuneration Committee (“NRC”) upon the recommendations of the HR Department shall periodically review and consider the list of senior managerial personnel due for retirement/attrition within the year. The 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 Committee shall assess the availability of suitable candidates for the company’s future growth and development. Further, based on the recommendation of the Managing Director & CEO and Head – Human Resources, the Nomination Committee:





- (a) shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board, if necessary as per service rules of the company whether the concerned individual (i) be granted an extension in term/service or (ii) be replaced with an identified internal or external candidates.
- (b) shall identify the competency requirements of Board/key positions, 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.
- (c) may recommend to the Board, if necessary 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.

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.

The Managing Director / chief executive officer and the head of the human resources department of the Company shall, from time to time identify high-potential employees who merit faster career progression to position 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) 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 professional like the chief risk officer, chief compliance officer, chief of internal vigilance, head - internal audit and nodal officer to be made in compliance with all applicable provisions of the Companies Act, Listing Regulations, SEBI (Depositories and Participants) Regulations, 1996 and such other laws as may be applicable to such appointment.





Review of Policy

This Policy shall be subject to review, if necessary. Any change/amendments in Applicable Laws with regard to maintenance and preservation of documents and records shall be deemed to be covered in this Policy without any review. Any change/amendments to this Policy shall be approved by the Managing Director and Chief Executive Officer of the Company as delegated by the Board of Directors of the Company.

