



ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED

POLICY ON SUCCESSION PLANNING

(Approved in Board Meeting held on May 25, 2025)

Human Resource & Company Secretarial Group

Policy on Succession Planning

1. Introduction

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"), and the Reserve Bank of India directions as may be required from time to time, 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.

The Company in order to avoid any leadership gap in the Board and Senior Management has therefore devised a Policy on Succession Planning for the Board and Senior Management (hereinafter called the "Policy"). This Policy shall apply to all members of the Board of Directors and Senior Management of the Company.

2. Objectives:

The objective of this policy shall include

- To ensure the systematic alignment between succession planning and business continuity to mitigate risks due to retirement, exit, death or disability or any unforeseen circumstances.
- To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of Directors from time to time.
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned learning and development initiatives.
- To build and develop a talent pool of suitably qualified and motivated employees for filling critical roles which will help Arcil engage and retain talent.
- To identify roles for external hiring wherever internal capability is not available.

3. Applicability:

This policy will be applicable to:

- Board of Directors
- Whole-time Directors including CEO & Managing Director
- Chief Financial Officer
- Company Secretary
- Chief Compliance Officer
- Senior Management#
- People reporting directly to CEO & MD

- Identified roles as per Section 5.1 of the Policy

Any other identified critical/key positions in the organization in consultation with the CEO & MD.

“Senior Management” shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

4. Responsibility for implementation:

Succession planning responsibility for the CEO & MD and Directors shall be with the Board of Directors on the recommendation of the Nomination and Remuneration Committee (“NRC”) and for all the other positions it shall be with the Board of Directors on the recommendation of NRC including CEO& MD and Chief Human Resource Officer (CHRO).

5. Policy Requirements

5.1 Succession Planning of identified roles.

Key roles within the organization identified as per defined criteria- which include desired knowledge, skills, experience, critical technical competencies, behavioral competencies that are critical success factors. The following roles are identified:

- President
- Chief Financial Officer (CFO)
- Head Acquisition-Corporate and SME
- Head Retail
- Head Collection and Resolution – Corporate and SME
- Chief Human Resource Officer (CHRO)
- Chief Risk Officer (CRO)
- Company Secretary
- Head Legal and Process
- Head of IT/ Chief Technology Officer (CTO)
- Chief Information Security Officer (CISO)
- Chief Compliance Officer (CCO)
- Any other position/role based on the recommendation from CEO & MD

5.2 The CEO & MD will review and approve the plan outline for each identified role along with the identified incumbents.

5.3 Incumbents as per the identified roles in 5.1 will be evaluated/assessed after considering all relevant competencies and criteria's and classified into

- Ready now or
- Upcoming Talent.

They shall use various available tools for the same and identify gaps in competency if any.

5.4 A plan shall be formulated to develop the relevant gaps in competencies through training and development in identified areas or disciplines, through Executive Coaching, or other appropriately identified interventions. This plan would then be discussed with the respective individual to ensure alignment with the defined objectives.

5.5 Wherever there is non-availability of internal incumbents, the CEO & MD and CHRO shall recommend appointing any external candidate with priority

5.5.1 Priority A for immediate hiring

5.5.2 Priority B within pre decided time frame.

5.6 If post evaluation the internal candidate does not fit into ready now or upcoming talent, then specific feedback will be shared with that incumbent and a customized Growth Plan will be designed with roadmap and actions that need to be taken towards accomplishing the plan.

5.7 The interview panel shall ensure that the external candidate fits into Arcil's culture and demonstrates the ability to significantly contribute towards achievement of the strategic and business objectives of Arcil.

5.8 The final decision for any movement shall rest with CEO & MD.

6. Succession Planning of Chairman of the Board/ Independent Directors/CEO & MD

6.1 The Chairman of the Board shall be an Independent Director and in case of absence of the Chairman due to unavailability or cessation of office or any other reason, another Independent Director shall be selected as the Chairman. The appointment of the Chairman of the Board shall be as per the Articles of Association of the Company as amended from time to time and applicable law. The successors for the Independent Directors/CEO & MD shall be identified by the NRC at least six months before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than three months from the date of such vacancy.

The NRC shall assess the suitability of a person who is being considered for appointment/reappointment as a director of the Company, based on his/her educational qualifications, experience, expertise, and track record and recommend the candidature to the Board.

- 6.2 The Board will consider the candidature and if found suitable shall approve the same. Thereafter the application shall be submitted to RBI for necessary approvals.
- 6.3 Such appointment or re-appointment shall be in accordance with the applicable provisions of the Companies Act 2013, the Listing Regulations and RBI regulations and, any other laws as applicable.

7. General

- 7.1 Every member of the senior management/leadership team shall always endeavour to add capability in-house and mentor the team members with potential working with them to handle their responsibility in their absence by exposing the team members to all aspects of work, hence creating more fungibility within the team.
- 7.2 In the event of any unexpected occurrence in respect of any member in the leadership team, the next person as per the organization chart as mentioned below (as far as possible) shall take interim charge of the position pending a regular appointment. The designations for the successors are subject to change based on their progress within the Organization.

Roles	Designation Successor
President	Executive Vice President
Chief Financial Officer (CFO)	Vice President
Head Acquisition-Corporate & SME	Vice President
Head Retail	Vice President/Assistant Vice President
Head Collection and Resolution - Corporate & SME	Vice President
Chief Human Resource Officer (CHRO)	Senior Chief Manager
Chief Risk Officer (CRO)	Assistant Vice President
Company Secretary	Senior Manager
Head Legal and Process	Assistant Vice President
Head of IT/ Chief Technology Officer (CTO)	Assistant Vice President
Chief Information Security Officer (CISO)	Assistant Vice President
Chief Compliance Officer (CCO)	Senior Manager

8. Confidentiality

All people responsible for execution of the succession 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.

9. Succession planning status:

The CEO & MD and CHRO will present the status on

- 1) Ready Now candidates.
- 2) Upcoming Talent and
- 3) External hiring position to NRC after the end of every financial year or as and when required.

10. Review and amendment of the policy.

The Policy may be amended or substituted by the Board as and when required or when there are statutory or regulatory changes necessitating the change in the Policy. This Policy shall be reviewed by the Board on the recommendation of NRC Committee on an annual basis. Any deviation from the policy shall be approved by the Board of Directors.