



SCOOBEE DAY GARMENTS (INDIA) LIMITED

**POLICY ON SUCCESSION PLANNING FOR THE DIRECTORS,  
KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT  
PERSONNEL AND OTHER EMPLOYEES**

## **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 Scoobee Day Garments (India) 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 fulfillment 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 2023.

## **MAJOR PRINCIPLES AND OBJECTIVES OF THE POLICY ON SUCCESSION PLANNING ARE AS UNDER:**

- a. To ensure that company is prepared with a plan to support operations and service continuity when Key Management Personnel or senior business leaders vacate their positions.
- b. To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities.
- c. To ensure systematic and long term development of individuals in the KMP and SMP level to replace when the need arises due to the death, disability, retirement or any other unexpected occurrence.

### **APPLICABILITY OF THE POLICY**

The Policy shall be applicable for succession planning of the managing director/whole-time/executive directors, non-executive directors, independent directors and other members of the Board and senior management.

### **SUCCESSION PLAN FOR THE BOARD AND SENIOR MANAGEMENT:**

The Nomination and Remuneration Committee (NRC) of the Board considers the candidature of the Directors and then recommends to the Board for necessary approvals. In case of Key Managerial Personnel and the Senior Management Staff such appointments shall be taken up wherever is needed.

- a. The Committee shall periodically review and determine if there is reason to believe that one or more director's slots/ senior management's position shall become vacant within the next twelve months and accordingly report its finding to the Board.
- b. The committee shall also consider the new vacancies that may arise due to the business needs/restructuring of functions/departments.
- c. In case if an SMP / KMP 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, such case is forwarded to the NRC of the Board for its approval.
- d. In case if such position is to be filled through internally or externally, 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.
- e. shall from time to time identify high potential employees who merit faster career progression to position of higher responsibility and give them adequate skill development and training requirements for their successful career progression.

In the event of any unexpected occurrence in respect of any member in the SMP / KMP group, the next person as per the organization chart (as far as possible) shall take interim charge of the position, pending the formal appointment in terms of the succession plan.

Once the identification process is completed by Managing Director & the Head- HR, the shortlisted candidates are further referred to the NRC of the Board for a final evaluation.

The recommendation of the NRC shall be placed before the Board for approval.

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 to be made in compliance with all applicable provisions of the Companies Act, Listing Regulations, and such other laws as may be applicable to such appointment.

### **REVIEW OF THE POLICY**

The Policy shall be reviewed periodically by the Board, or such individuals or committees of individuals authorised to do so by the Board and any change in the Policy shall be approved by the Board of the Company. However, all such amendments will be subject to applicable laws, rules, and regulations, from time to time.

### **AMENDMENTS**

The Board may amend the Policy as and when it deems necessary either pursuant to any change in law or otherwise. The Board shall be free to devise and implement any supplementary or other policies and guidelines in respect hereof for better implementation of this Policy.