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## **SUCCESSION POLICY**

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(Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

# SUCCESSION POLICY

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## 1. INTRODUCTION

In Pursuance of Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing regulation**”), requires every Listed Company to formulate a Succession Policy for appointment to the board of directors and senior management.

As per Section 178 of the Companies Act, 2013 (the “**Companies Act**”), M. K. Sons Fine Jewels Limited (the “**Company**”) is required to constitute a Nomination and Remuneration Committee with an objective to develop a succession plan for the Board and senior management of the Company.

The Board of Directors (the “**Board**”) of the Company has adopted the Policy on Succession Planning for the Board and Senior Management (hereinafter called the “**Policy**”) and the Board may amend this policy from time to time.

## 2. DEFINITIONS

For the purpose of this Policy, the following terms shall have the meanings assigned to them hereunder:

- a) “**Act**” means Companies Act, 2013, as amended, and includes rules made thereunder.
- b) “**Senior Management**” means officers/personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Chief Executive Director or Managing Director or Whole Time Director (including Chief Executive Officer, in case he is not part of the Board) and include the functional heads and shall specifically include Company Secretary and Chief Financial Officer.
- c) “**Director**” means a member of the Board; and
- d) “**NRC Committee or Committee**” means Nomination and Remuneration Committee constituted by the Board of Directors of the Company, from time to time, in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.
- e) “**Regulations**” Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, and the Companies Act and rules and regulations made thereunder as amended from time to time.

## 3. APPLICABILITY OF THE POLICY

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

- i. Managing Director, Chief Executive Officer, Whole Time Directors and non-executive directors, independent directors and other members of the Board
- ii. Chief Financial Officer
- iii. Company Secretary

- iv. Senior Management personnel as identified by the Company in terms of Regulations
- v. Any other positions within the Company at the discretion of the Managing Director & CEO in consultation with the Board

The NRC Committee of the Board shall review the leadership and management needs of the Company from time to time.

#### **4. SUCCESSION PLAN**

##### **4.1 FOR THE BOARD**

The NRC Committee of the Board, shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the Company based on their educational qualification, experience & track record, and every such person shall meet the 'fit and proper' criteria, and accordingly any appointment or re-appointment of a Director shall be subject to prior approval / recommendation by NRC Committee of the Company to the Board of Directors.

The NRC Committee to also ensure that the said process is in compliance with its Policy

##### **4.2 FOR THE SENIOR MANAGERIAL PERSONNEL**

- a. The NRC Committee may, at its discretion, recommend to the Board, appointment of suitable candidate(s) in senior management level with a view to ensure a continuous availability of managerial talent at senior levels to meet the organizational needs. The recommendations of the NRC Committee shall be placed before the Board for approval. The senior management team shall always strive to develop in-house capabilities by enriching work exposure.
- b. The NRC Committee shall be responsible to review those senior managerial roles who are due for retirement or those who are on notice period consequent to resignation/attrition. The NRC Committee shall also be responsible to consider new vacancies that may arise because of business needs/expansion.
- c. The Managing Director & Chief Executive Officer has an important role to play in the hiring process of Key Managerial Personnel and Senior Management.

This includes:

- (i) helping the Board/ NRC Committee to identify the key skills, experience and qualifications required for a new KMP/ Senior Management
- (ii) identifying the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives;
- (iii) ensuring the systematic and long-term development of individuals in the middle Management level to replace senior management as and when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence.
- (iv) recommending whether individual in the Senior Management level be granted an extension in term/service or be replaced with an identified internal or external candidate or recruit other suitable candidate(s)
- (v) evaluating the job position and inform the Board/ NRC on what strengths and weaknesses they have brought to the position and thus the organization.

## **5. OBJECTIVES**

The objectives of the succession planning program are as follows:

- (i) To make a plan for orderly succession for appointment to the Board and Senior Management.
- (ii) To identify and proactively plan for critical work force positions, by developing a pool of potential successors and encouraging a culture that supports knowledge transfer and employee development;
- (iii) To ensure that necessary talent and skills will be available when needed, and that essential knowledge and abilities will be maintained when employees in critical positions leave;
- (iv) To build human resource programs that attract and retain qualified individuals;
- (v) To implement a framework that identifies the competency requirements of critical positions, assesses potential candidates and develops required competencies through planned learning and development initiatives.

## **6. REVIEW OF THE POLICY**

The Board shall review Policy periodically. However, all such amendments will be subject to applicable laws, rules and regulations, as amended from time to time.

## **7. EFFECTIVE DATE**

Provisions of the regulations under this policy shall be applicable to the company from the date when the securities of the company are listed on the Stock Exchanges.