

INDUSTRIAL INVESTMENT TRUST LIMITED

SUCCESSION PLANNING POLICY

Succession Planning requires collaboration within the organisation. It is a process designed to ensure that the Company identifies and develops a talent pool of employees for top management positions (Chairman, Senior Management, KMPs) through mentoring, training and job rotations to fill vacant positions which may happen due to retirement, resignation, death or new business opportunities.

Being a listed Company, it is required to comply with The Securities and Exchange Board of India (SEBI) guidelines. SEBI has mandated the need for a succession planning policy for listed companies. It is a mandate for Boards of all listed companies to develop an action plan for successful transition of key executives.

In accordance with the provisions of Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as “LODR Regulations, 2015), the Board of Directors (“the Board”) of Industrial Investment Trust Limited (“the Company”) has adopted this Policy upon the recommendation of the Nomination and Remuneration Committee (NRC).

ROLE OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

- 1) To identify persons who are qualified to become Directors and who may be appointed in Senior Management.
- 2) To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board the policy relating to remuneration of Directors and KMPs.
- 3) Formulate policy relating to remuneration for Directors and KMPs and to ensure whether the level and composition of remuneration is reasonable and sufficient to attract talent.

OBJECTIVE

The objective of this Policy is to ensure the orderly identification and selection of new Directors or Senior Management in the event of any vacancy, whether such vacancy exists by reason of an anticipated retirement, an unanticipated departure, the expansion of the size of the Company, or otherwise.

RESPONSIBILITIES FOR SUCCESSION PLANNING

Key positions are identified as follows:

- Executive Chairman;
- Executive Directors; and
- Key Senior Management.

The Human Resources Department (HRD) of the Company shall periodically review and consider the list of Senior Management due for retirement within the year. HR is required to consider the new vacancies that may arise because of business needs / up-gradation of departments and recommend to the Board. HR shall also assess the availability, internally and / or externally as the case may be, of suitable candidates for the Company's future growth and development.

The Board with the assistance of NRC, is responsible for succession planning for the Executive Chairman, Executive Directors, Non-Executive Directors and Key Senior Management positions.

The Board will consider either to hire or to internally promote to the position of Executive Chairman, Executive Directors and Key Senior Management, when anyone of the mentioned position leaves and to ensure the successor has the required skills to implement the strategies of the Company.

SUCCESSION PLANNING PROCESS

a) Board Level Appointment:

The Board with the assistance of NRC of the Company shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the Board level. The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 read with terms of Corporate Governance as may be amended from time to time.

b) Sr. Management Level Appointment:

The vacancy at Senior Management i.e. all members of management viz, the Executive Chairman and Directors who are in the Whole Time employment of the company and functional heads shall be filled by the Board, (on the recommendation of the NRC) in line with the internal policy adopted by the management, keeping in view the organization's mission, vision, values, goals and objectives.

c) Emergency Succession:

If a Director slot/Senior Management position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Nomination & Remuneration Committee shall convene a special meeting as early as possible.

d) Determine the required capabilities for critical positions.

- e) List down competency profile of the selected talents or employees and appoint such persons;
- f) In addition it will assess the performance of the selected employees on annual basis
- g) Monitor and track the overall progress
- h) Successful transition of the key positions particularly the Executive Chairman, Executive Directors is essential to maintain the confidence of stakeholders. The vacancies of key positions will be planned ahead and be organized in a manner that ensures proper and smooth transition

The Company will conduct regular training, Management Development programmes / familiarisation programme.

KEY SUCCESS FACTORS

The support from the Board of Directors, the Executive Chairman, Executive Directors and Senior Management are important for the succession planning process. This will give all employees an understanding and emphasis on the importance of succession planning to the Company.

Regular review and update for the succession plan is vital to ensure the Company has re-evaluated the hiring needs and assess the development progress of the selected candidates.

REVIEW AND MONITORING

The Nomination and Remuneration Committee shall review and monitor from time to time the implementation of this Policy to ensure its effectiveness and may also recommend changes, if any, to the Board for ensuring effective succession planning.

DISCLOSURES

The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.

AMENDMENTS TO THE POLICY

The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board reserves the right to amend this Policy from time to time based on changing requirements as prescribed by the SEBI/Stock Exchange(s) or any other appropriate statutory authority.