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# POLICY ON SUCCESSION PLAN

**Pentacle Consultants (I) Limited**
*(formerly known as Pentacle Consultants (I) Private Limited)*

PENTACLE CONSULTANTS (I) LIMITED
(Formerly Known as PENTACLE CONSULTANTS (I) PRIVATE LIMITED
REGISTERED OFFICE: Unit No A-1709, 17th Floor, One Lodha Place, Senapati Bapat Marg,
Lower Parel, Delisle Road, Mumbai, Maharashtra- 400013, INDIA
CALL: +91 022 45222465/66 | INFO@PENTACLE.GLOBAL | WWW.PENTACLE.GLOBAL
CIN: U71100MH2006PLC165384 | GST No. 27AAECP0426G1ZP

PENTACLE CONSULTANTS (I) LIMITED MUMBAI

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## 1. PREFACE

(a) Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**) stipulates that the Board of Directors of the Company shall satisfy itself that plans are in place for orderly succession for appointment of Board of Directors and the Senior Management.

(b) Whereas under Section 178 of the Companies Act, 2013 (the **"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.

(c) The policy on 'Succession Planning' (the "**Policy**") of Pentacle Consultants (I) Limited (**"Company**") is an important component often addressed as part of strategic planning. It is critical to the success of the organization and should provide for a process that recognizes, develops, and retains top leadership talent. Boards often create a succession plan outlining the process for retaining, developing, and/or appointing the Board of Directors and Senior Management personnel of organization.

(d) Succession planning can also mean creating an objective in a strategic plan around succession plans for all senior staff positions. If the organization is interested in developing an internal process to ensure that it develops and retains the best people, it may outline a development plan for each key position in the organization.

## 2. SCOPE

(a) The succession planning includes creating an objective in strategic and development plan for each key position in the Company and developing internal process to develop and retain the best people.

## 3. APPLICABILITY

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

(a) Whole-time directors and other directors of the Board;
(b) Senior Management including Key Management Personnel;
(c) Any other position within the Company at the discretion of the managing director in consultation with the Board.

## 4. OBJECTIVE

The objectives of the succession planning programme shall, inter alia, include the following:

(a) To identify and nominate candidates for the Board's approval (including NRC) and identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.

(b) To identify the key job requirements in Senior Management positions and recommend whether the concerned individual (i) be granted an extension in term/service or (ii) be replaced with an identified internal or external candidate or recruit other suitable candidates as per human resource policy of the Company.



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(c) To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to death, disabilities, retirements and other unforeseen occurrences and unexpected events.

## 5. INTERPRETATION

The words and expressions used and not defined in this policy but defined in the Companies Act or rules made there under or the SEBI Listing Regulations or regulation made there under shall have the same meanings respectively assigned to them in those acts, rules, and regulations.

## 6. DEFINITION:

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| **"Board of directors"** or **"Board"** | means the Board of Pentacle Consultants (I) Limited as constituted or reconstituted from time to time. |
| **"Company"** | means Pentacle Consultants (I) Limited *(formerly known as Pentacle Consultants (I) Private Limited)* |
| **"Key Managerial Personnel"** | shall mean key managerial personnel as defined in sub section (51) of the Section 2 of the Act; |
| **"Nomination and Remuneration Committee"** or **"NRC"** | means the committee of the Board constituted under the SEBI Listing Regulations read with Section 178 of the Companies Act, 2013 (**"Companies Act"**). |
| **"Policy"** | means this policy of Succession Planning of the Board of directors and Senior Management of the Company |
| **"SEBI"** | shall mean the Securities and Exchange Board of India. |
| **"Senior Management"** | shall mean the officers and personnel of the issuer 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. |
| **"Succession Plan"** | means a systematic process of identifying, assessing, and developing potential successors to key leadership positions to ensure business continuity and talent readiness. |



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## 7. SUCCESSION PLAN FOR APPOINTMENT OF DIRECTORS AND SMPs

(a) The NRC shall review the leadership needs of the Company from time to time.

(i) Board - The NRC shall proactively review the succession requirements for the Board and carry out the due diligence process to determine the suitability of every prospective person for being appointed or re-appointed as a Director of the Company based on his educational qualification, relevant experience, track record, reputation etc. The proposed candidate shall be evaluated by the NRC to determine the eligibility and fit and proper criteria as per the Companies Act, and thereafter such candidature shall be recommended to the Board for its consideration and approval.

(ii) SMP- Based on the inputs received from the Human Resource department, the NRC shall periodically review any vacancy/probable vacancy in the position of SMP which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

(b) There are three types of Directors being appointed on the Board of the Company – Executive, Non-Executive and Independent Directors.

(c) In light of the above, the NRC shall identify suitable person from among the existing top management or from outside to fill up the vacancy at the Board level. The NRC shall apply a due diligence process to determine suitability of the person who is being considered for appointment or reappointment as director of the Company based on his/her educational qualification, experience, and track record and then recommend to the Board for necessary approvals from SEBI. In case of SMP, such appointments shall be taken up as required as per its terms of references for advising the management. The NRC or the Board shall act according to the provisions laid down herein above, subject to necessary approvals before such appointments or reappointments.

(d) In this context, the new requirements as per the business plans and other positions which may arise as per business requirements should be suitably incorporated in the service rules of the Company. Key compensation elements shall be dealt under the service rules for SMP which is reviewed by the NRC and the Board as and when necessary.

(e) For appointment of an external candidate, selection of the suitable candidate shall be prompt and planned, so that the appointment is before the retirement/relieving to ensure the smooth transition.

(i) The NRC upon the recommendations of the Human Resource department shall periodically review and consider the list of SMP due for retirement/attrition within the year. The NRC 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 NRC shall assess the availability of suitable candidates for the Company's future growth and development. Further, based on the recommendation of the Chief Executive Officer and Managing Director and Human Resource department, the NRC shall identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The NRC may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

(ii) The NRC shall periodically review and consider the list of SMP due for retirement/ vacancies arising out of attrition during the year.

(iii) Develop a data bank of potential candidates and the source for procuring candidates, such as, through nationally reputed Human Resource consultants / agency.



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(iv) Consider new vacancies that may arise due to the business needs/restructuring of functions/departments.

(v) In case the SMP 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, the Board will send such case to the NRC for its approval.

(vi) In case if such position is to be filled through internally or externally, NRC 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.

(f) The Chief Executive Officer and Managing Director and Human Resource department of the Company shall, from time to time identify high-potential employees who merit faster career progression to positions of higher responsibility and formulate, administer, monitor and review the process of skill development and identify the training requirements.

(g) 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.

(h) In addition to the above, the appointment of senior personnel such as Chief Financial Officer, Company Secretary and other compliance professionals like the Chief Risk Officer, Compliance Officer, shall be in compliance with all applicable provisions of the Companies Act, SEBI Listing Regulations, and such other laws as applicable to such appointment.

## 8. REVIEW OF THE POLICY

(a) The NRC shall review the leadership needs of the Company from time to time. In case of any amendment (s), clarification(s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendments(s), clarification(s), circular(s) etc. shall prevail upon the provisions of this policy and the policy shall stand amended accordingly.

(b) Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. The Board shall review this Policy periodically and if required, will make suitable changes in this Policy keeping in view any regulatory changes or changes in the business environment.

## 9. DISSEMINATION OF THE POLICY

The approved Policy shall be uploaded under a separate section on the website of the Company at https;//pentacle.global

## 10. EFFECTIVE DATE

The policy shall become effective from listing of the Company's shares on the stock exchanges.



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