



**CREDITACCESS GRAMEEN LIMITED**  
**POLICY ON SUCCESSION PLAN FOR APPOINTMENT OF DIRECTORS,**  
**KMPs AND SENIOR MANAGEMENT**

## Revision History

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## **POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIORMANAGEMENT**

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### **Preamble**

The Code of Corporate Governance issued by Securities and Exchange Board of India (SEBI) for listed companies along with the provisions of Section 178 and other applicable provisions of the Companies Act 2013, prescribes the requirement for laying down criteria for determining qualifications, positive attributes and independence of a director including various aspects of performance evaluation of Board of Directors and its Committee. Further, the Companies Act, 2013, also requires the Nomination & Remuneration Committee (NRC) to lay down criteria for identification of persons who are qualified to become directors, Key Managerial Personnel (KMPs) and senior management personnel. Apart from this, SEBI vide its circular dated April 17, 2014, has also mandated the need for a succession planning policy and listed succession planning as one of the key functions of the Board of Directors which mandates Boards of all listed companies to develop an action plan for successful transition of its KMPs and senior management.

Laying down the said criteria as envisaged and devising a proactive strategy for Succession Planning for Board as well as KMPs and senior management of a Company forms one of the most important functions of Human Resource Department for a smooth transition of responsibilities with little disruption to the organization. The Company has therefore devised this suitably Policy on Succession Planning for the Board, KMPs and Senior Management (hereinafter called as the "Policy").

### **Definitions**

"Company" shall mean CreditAccess Grameen Limited.

"Board of Directors" or "Board" means the Board of Directors of the Company in terms of Regulation 2(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the LODR regulations), as amended from time to time.

"Key Managerial Personnel" shall mean key managerial personnel (KMPs) as defined in clause (51) of Section 2 of the Companies Act, 2013, as amended from time to time

"Listed Entity" means any entity which has listed its securities on recognized stock exchange(s), in accordance with the listing agreement entered into with the stock exchange(s).

"Listing Regulations" shall mean an agreement entered into between the Company and the recognized stock exchange(s) wherein the securities of the Company are listed pursuant to the SEBI (Listing Obligations

and Disclosure Requirements) Regulations 2015 (“LODR”).

“Policy” means this Policy on Succession Planning for the Board, KMPs and Senior Management including amendments, if any, made from time to time.

“Senior Management Personnel” means officers of the company who are members of its core management team excluding Board of Directors but comprising all members of management one level below the Executive Directors including the functional heads.

Further, the term ‘functional heads’ for the purpose of this policy shall mean all direct reportees in management cadre who are one level below to the Executive / Managing Director, including CXOs, and such other persons identified and designated as key managerial personnel, other than the board of directors, by the Company.

Any other term not defined herein shall have the same meaning as defined under the Companies Act, 2013, the SEBI LODR regulations or any other applicable law or regulation, as may be amended from time to time.

### **Objectives of the Succession Planning Policy**

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

- a) 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.
- b) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- c) To identify the key job incumbents in Senior Managerial positions and recommend whether the concerned individual (i) be granted an extension in term/service or (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s).

### **Applicability**

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

1. Board of Directors
2. Key Managerial Personnel
3. Senior Management

## **Criteria for appointment as Director, KMP and Senior Management personnel:**

### 1. Expertise:

- The Board of Directors of CA Grameen shall comprise of distinguished professionals with expertise in the relevant fields of Microfinance, banking, finance, accounting, economics, regulatory compliance, policy making or such other areas as may be considered relevant from time to time.
- The qualifications and experience for appointment as KMPs and Senior Management Personnel should align with the specific requirements of the position and the objectives of the Company.

### 2. Assessment by Nomination and Remuneration Committee (NRC):

The NRC will evaluate and verify the integrity, qualifications, expertise, and experience of any individual considered for appointment as a Director, KMP, or a member of the Senior Management, and recommend such appointment to the Board.

The NRC will also examine and verify the independence of a person, before his/her appointment as an Independent Director of the Company.

### 3. Age Limitations:

- The appointment of Directors is subject to age restrictions.

**For Executive Directors:** The Company shall not appoint or continue the employment of any individual as Executive Director who has reached the age of seventy (70) years. However, the term of an Executive Director may be extended beyond the age of seventy (70) years, subject to the approval of shareholders by passing a special resolution

**For Non-Executive Directors:** The Company shall not appoint or continue the employment of any individual as Non-Executive Director who has reached the age of seventy-five (75) years. However, the term of a Non-Executive Director may be extended beyond the age of seventy-five (75) years, subject to the approval of shareholders by passing a special resolution.

### 4. Compliance with Legal and Regulatory Requirements:

- The individual must not be disqualified under any provision of applicable laws, including the Companies Act, 2013, orders issued by the Ministry of Corporate Affairs or any other Ministry or Department, Securities & Exchange Board of India (SEBI), Reserve Bank of India (RBI) or any other regulator or relevant statutes, from time to time.
- No person shall be appointed as a Director if they are subject to any disqualifications as specified under Section 164(1) of the Companies Act, 2013, including the following:

- The individual is under the age of 21 years.
- The individual is of unsound mind or has been declared as such by a competent court.
- The individual is an undischarged insolvent.
- The individual has applied to be adjudicated as insolvent, and the application is pending.
- The individual has been convicted of an offense involving moral turpitude or otherwise, and has been sentenced to imprisonment for a term of not less than six months, provided that a period of five years has not elapsed from the date of expiry of the sentence.

5. Fit and Proper Criteria:

The individual must meet the "fit and proper" criteria as prescribed by applicable regulatory authorities, including those set by the Reserve Bank of India (RBI) or other relevant bodies, as may be applicable to the Company.

6. Non-Conflict of Interest:

The individual should not have any direct or indirect conflict of interest that could interfere with their ability to perform the duties and responsibilities of the role effectively and impartially.

7. Adherence to Company's Policies:

The individual should demonstrate the values and principles of the Company, adhering to its code of conduct, corporate governance standards, and other relevant policies and procedures.

8. Any other criteria as may deemed necessary by the NRC.

**Qualifications and Positive Attributes for being appointed as Director:**

Qualifications:

The Board of Directors of the Company will consist of individuals having special knowledge or practical experience in one or more of the following areas:

Microfinance • Accountancy • Agriculture and rural economy • Banking • Cooperation • Economics • Finance • Law • Information Technology • Human Resource • Risk Management • Business Management • any other subject which is considered relevant.

Positive Attributes:

- a) Excellent interpersonal, communication, leadership and representational skills.
- b) Having continuous professional development to refresh knowledge and skills.
- c) Commitment to high standards of ethics, personal integrity and probity.

### Skills/Expertise/Competence:

The Board of Directors shall have Skills / Expertise / Competence in one or more of the following areas:

- Banking Operations • Audit & Financial Statements • Financing • Investment • Risk Management
- Entrepreneurship • Micro Finance • Management • Information Technology • Human Resource Development • Regulatory & Compliance and such other areas as may be considered relevant from time to time.

### **Succession Plan for the Board and Senior Management**

The Nomination and Remuneration Committee of the Company will oversee and review succession plan from time to time and recommend the same to the Board.

### **Succession Plan for the Board of Directors:**

The Committee shall determine the suitability of every person who is being considered for appointment or re-appointment as a director based on his/ her educational qualification, experience, track record and contribution to the Board, as applicable, and every such person shall meet the 'fit and proper' criteria as may be stipulated by the Committee , from time to time, and accordingly any appointment or re-appointment of a director shall be subject to prior approval / recommendation by the Committee.

To ensure the adequate diversity in the Board, the Committee, while appointing/re-appointing, shall consider the expertise in the fields such as Banking Operations, Audit & Financial Statements, Financing, Investment, Risk Management, Entrepreneurship, Micro Finance Management, Information Technology, Human Resource Development, Regulatory & Compliance, such other qualities of the directors.

### **Succession Plan for KMPs and Senior Management Personnel:**

Based on the inputs received from the Human Resource Department, the Nomination and Remuneration Committee shall periodically review any vacancy / probable vacancy in the position of Senior Management Personnel which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

For Key Managerial Personnel, the Nomination and Remuneration Committee shall in consultation with the Investor Director/s and the Board Chairman evaluate the suitability of any person based on factors viz., educational qualification, experience, age, health, leadership qualities, suitability to external market requirement / expectation etc., and recommend his/ her candidature to the Board well before such vacancy arises to facilitate smooth transition.

The Nomination and Remuneration Committee shall also identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned



development and learning initiatives. The Nomination and Remuneration Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

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 and hierarchy shall take interim charge of the position, pending a regular appointment in terms of the succession plan.

In addition to the above, the appointment of Key Managerial Personnel shall be made in compliance with all applicable provisions of the Companies Act, 1949, Companies Act, 2013 (including the rules made there under), Listing Regulations and RBI Guidelines etc.

### **Review of the Policy**

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 amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

The Board has the power to amend / replace this Policy on recommendation by the Nomination & Remuneration Committee.