

PATANJALI FOODS LIMITED

(Formerly known as Ruchi Soya Industries Limited)

**POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR
MANAGEMENT**

(Approved by the Board of Directors at its meeting held on March 13, 2024)



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POLICY ON SUCCESSION PLANNING OF BOARD AND SENIOR MANAGEMENT

1. Background

The Securities and Exchange Board of India (SEBI) 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 (the “SEBI Listing Regulations”). It is a significant attempt to ensure that investors do not suffer due to sudden or unplanned gaps in leadership. It is a mandate for boards of all listed companies to develop an action plan for successful transition of key executives.

2. Purpose

Succession planning is an essential component to the efficient operation and growth of any business. Succession planning is a tool for an organization to ensure its continued effective performance through leadership continuity. A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with talents.

Patanjali Foods Limited (“the Company”) recognizes the importance of the process to succession planning to provide for continuity in the smooth functioning of the Company. There are certain positions in the Company that are key to its current and future growth. It is, therefore, important that these positions are assigned to duly skilled and best possible incumbents. It is critical to fill any vacancy(ies) in such position(s) well in time to avoid any leadership gap. The Company has therefore put in place a Policy on Succession Planning for the Board and Senior Management (the “Policy”).

3. Objective

- a. To identify and nominate suitable candidates for the approval of the Board of Directors of the Company (“Board”) to fill any vacancy(ies) which may arise in the Board, from time to time;
- b. To identify the competency requirements of critical and key positions in the Company, assess potential candidates and develop required competency through planned development and learning initiatives;
- c. To identify the key job incumbents in senior management position and recommend whether the concerned individual: (a) be granted an extension in term/ service; or (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s); and
- d. To ensure the systematic and long-term development of individuals in the senior management level and to replace when the need arises due to resignations, death, disabilities, retirements, and other unexpected occurrence.

4. Applicability of the Policy

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

- a. Managing Director and Chief Executive Officer and the rest of the Board;
- b. Senior Management of the Company as defined in Regulation 16(1)(d) of the Listing Regulations;
- c. Any other position within the Company at the discretion of the Managing Director & Chief Executive Officer in consultation with the Board.



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Explanation: The term “Senior Management” shall mean officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all 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 Chief Financial Officer of the Company.

5. Succession Plan for the Board and Senior Management

The Nomination and Remuneration Committee of the Board (“the Committee”) shall review the leadership needs of the Company, from time to time.

a. Succession Plan for the Board:

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 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.

The Company has also framed a Remuneration and Board Diversity Policy for Directors and Senior Management to guide the Board in relation to the appointment/ re-appointment/ removal of the directors to ensure adequate diversity in the board to make good use of the varied skills, regional and industry experience, background, gender, and other qualities of the directors. Accordingly, the appointment/ re-appointment/ removal and tenure of Directors shall be governed by the provisions of the Remuneration and Board Diversity Policy.

b. Succession Planning for Senior Management:

The Human Resource Department of the Company (“HR Deptt.”) shall periodically review and consider the list of Senior Management due for retirement/ attrition within the year. HR Deptt. shall also consider the new vacancies that may arise because of business needs/ up-gradation of department(s)/ regional office(s). Considering the above, HR Deptt. shall assess the availability, internally and / or externally as the case may be, of suitable candidates for the Company’s future growth and development.

Further, based on the recommendation of the Managing Director and/or the Chief Executive Officer, the HR Deptt.:

- a. shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc., 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;
- b. shall identify the competency requirements of the key positions, assess potential candidates, and develop required competency through planned development and learning initiatives. HR Deptt. may utilize the services of professional search firms to assist in identifying and evaluating potential candidates;
- c. may recommend to appoint other suitable external candidate(s) as special recruitment in Senior Management based on the profiles and competency in order to provide a continuous flow of talented people to meet the organizational needs;
- d. the prevailing promotion/ transfer policy or related policy of the Company shall be designed in such a way that the existing/ proposed Senior Management shall get all-round exposure in various domains to facilitate career progression, prepare them for administrative responsibilities and to discharge their functions effectively in senior positions.



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- e. every member of the Senior Management shall always endeavor to add capability in-house and mentor officials with potential working under him/ her to handle his responsibility in his/ her absence by exposing him/ her to all aspects of work being handled by him/ her; and
- f. in addition to the above, the appointment of key managerial personnel as defined under Section 2(51) of the Companies Act, 2013 shall be made in compliance with the applicable provisions of the Companies Act, read with the SEBI Listing Regulations.

6. Emergency Succession or Temporary Change

If a director's slot/Senior Management's position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee/ Managing Director shall convene a special meeting as early as possible to implement the process described herein, subject to the necessity involved.

For a temporary change in executive leadership (i.e. illness or leave of absence for long time), the immediate junior officer, reporting to such executive, shall take charge in place of his/her senior until the senior executive re-joins the office or if he/she is not competent in the view of the Managing Director or the Committee, then such other person who is competent to take the charge as may be decided by the Managing Director or the Committee will take charge until the senior executive re-joins the office.

7. Conflict in Policy

In the event of any conflict between the Companies Act or the SEBI Listing Regulations or any other statutory enactments and the provisions of this Policy, the Regulations shall prevail over this Policy.

8. Review and Monitoring

The 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.

9. Amendments

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.

