

# POLICY FOR SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT



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## POLICY FOR SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

### 1. INTRODUCTION

Krsnaa Diagnostics Limited (“Company”) recognizes the importance of the process of succession planning to provide for continuity in the smooth functioning of the organization. Ensuring smooth transition is an essential function of the Board for survival, growth of the organization and to ensure its continued effective performance through leadership continuity. There are certain positions in the Company that are key to the Company's current and future growth. It is, therefore, important that these positions are manned by skilled and best possible incumbents and those positions whenever fall vacant are filled well in time to avoid any leadership gaps. The Company has therefore put in place a Policy on Succession Planning for the Board and Senior Management (hereinafter called the "Policy").

The Securities and Exchange Board of India (“SEBI”) has mandated all listed entities to adopt a succession policy pursuant to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“LODR”), in order to ensure that interests of investors of a listed company does not suffer on account of sudden or unplanned gaps in management of the Company.

For this purpose, Senior Management shall mean the officers and personnel of the listed entity 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 as decided by the Board and Nomination and Remuneration Committee.

### 2. OBJECTIVE

- To ensure the Company is prepared with a plan to support operation and service continuity when the Board, KMP's and Senior Management Personnel or key business leader leave their positions;
- To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities;
- To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of the Company from time to time;

- To develop career paths for employees which will facilitate the Company's ability to recruit and retain top-performing or high talent employees; To deliver a message to the Group's employees that they are valuable; and
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives;
- To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence.

### 3. APPLICABILITY

This Policy for Succession planning is applicable to the following personnel:

1. Executive Director ("ED") and other Directors;
2. Chief Executive Officer ("CEO");
3. Chief Financial Officer ("CFO") and Company Secretary ("CS");
4. Senior Managerial Position as defined under LODR and as determined by Board time to time.
5. Any other positions within the Company at the discretion of the CEO & Executive Director in consultation with the Board.

### 4. SUCCESSION PLAN FOR THE BOARD

The Nomination & Remuneration Committee ("NRC") 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 his educational qualification, experience & track record and accordingly any appointment or re-appointment of a Director shall be subject to prior approval by NRC of the Company.

The Company has also framed a Nomination & Remuneration Policy and the Policy on Board Diversity to guide the Board in relation to appointment / reappointment / removal of Directors. The Company has also devise criteria for performance evaluation of Independent Directors and the Board and 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 the Directors including the CEO & Executive Director and Executive Directors of the Company shall be governed by the provisions of the aforesaid policies of the Company.

### 5. SUCCESSION PLAN FOR SENIOR MANAGERIAL PERSONNEL

The NRC shall periodically review and consider the list of Senior Managerial Personnel 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). Considering the above, the NRC shall assess the availability of suitable candidates for the Company's future growth and development.

## PROCEDURE

Based on the recommendation of the CEO & Executive Director, Executive Director(s), Head of the concerned Department, Head-Human Resources and other concerned, the NRC:

1. Shall evaluate the incumbent after considering all relevant criteria like experience, age, leadership quality etc. and recommend to the Board whether the concerned individual be granted an extension in term / service or be replaced with an identified internal or external candidates.
2. Shall identify the competency requirements of Board / key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.
3. May recommend to the Board of Directors to appoint other suitable external candidate(s) as special recruitment in senior managerial level based on job roles and competency in order to provide a continuous flow of talented people to meet the organizational needs.

If the NRC anticipates that a Director/ senior management position shall become vacant within the next twelve months (whether by reason of an announced intent to retire or otherwise), or if such position suddenly becomes vacant (whether by death or otherwise), the NRC shall as soon as reasonably practicable recommend to the Board, sufficient number of candidates for selection.

While identifying candidates for nomination as director or senior management, the NRC may consult whatever sources it deems appropriate, including, but not limited to, referrals from existing directors or senior management, recommendations from third-party search firms etc.

The recommendation of the NRC shall be placed to the Board for approval. While making its recommendation, the NRC shall consult with the concerned and all factors including the available talent within the organization and the need to ensure continues working and growth of the Company shall be carefully considered.

The CEO & Executive Director, Executive Directors and Head of Human Resources shall from time to time identify high-potential employees who merit faster career progression to position of higher responsibility and formulate, administer, monitor & review the process of skill development and identify the training requirements.

Every member of the senior management team shall always endeavor to add capability in-house and mentor employees with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.

Appointment of Key Managerial Personnel such as Company Secretary, Chief Financial Officer and other Compliance Professionals shall be made in compliance with and conforming applicable provisions of relevant laws including the requirements of Companies Act, 2013, SEBI LODR.

The appointment and recommendation of Directors and Senior Management Personnel to be done in accordance with Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Committee shall have the authority to engage whatever advisors (including attorneys and search firms) it believe appropriate in its efforts to identify and evaluation potential candidates.

## 6. AMENDMENTS

The Company is dedicated to regularly assess and update its policies and procedures. Consequently, this policy may be amended from time to time subject to Board approval and in compliance with applicable laws and regulations. This policy and any further modifications/ amendments to the same shall be promptly disclosed on the Company's website and filed in accordance with the applicable laws and regulations.

*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 hereunder and this Policy shall stand amended accordingly from the Effective Date as laid down under such amendment(s), clarification(s), circular(s) etc.*

