

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of Vaxfab Enterprises Limited (Formerly Known as Ellora Trading Limited)

“Company” means Vaxfab Enterprises Limited (Formerly Known as Ellora Trading Limited).

“Committee(s)” means Committees of the Board for the time being in force.

“Employee” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“HRD” means the Human Resource Department of the Company.

“Key Managerial Personnel” (KMP) refers to Key Managerial Personnel as defined under the Companies Act, 2013 (the Act) which includes:

- (i) Managing Director or Chief Executive Officer or Manager or Whole Time Director;
- (ii) Chief Financial Officer;
- (iii) Company Secretary and
- (iv) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board.

“Nomination and Remuneration Committee” (NRC) means Nomination and Remuneration Committee of the Board of Directors for the time being in force.

“Senior Management” means officers/personnel of the Company who are members of its Core Management Team excluding Board of Directors and normally this shall comprise of all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) including the functional heads and shall specifically include company secretary and chief financial officer.

APPOINTMENT OF DIRECTORS

The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of director:

1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors.

Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Act and the Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons who are qualified to become directors and who may be appointed in senior management team in accordance with the criteria laid down above and recommend to the Board about their appointment and removal. Senior Management personnel are appointed or promoted and removed/relieved with the authority of Chairman based on the business need and the suitability of the candidate.

SUCCESSION PLANNING:

Purpose:

The Talent Management Policy sets out the approach to the development and management of talent in the Company to ensure the implementation of the strategic business plans of the Company.

Board:

The successors for the Independent Directors shall be identified by the NRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later. The successor(s) for the Executive Director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit.

The NRC will accord due consideration for the expertise and other criteria required for the successor. The Board may also decide not to fill the vacancy caused at its discretion.

Senior Management Personnel:

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent. It will ensure replacements for key job incumbents in KMPs and senior management positions in the organization. Significantly, we have a process of identifying Hi-pots and critical positions.

Policy Statement:

The Talent Management framework of the Company has been created to address three basic issues:

1) Given the strategic business plans, do we have the skills and competencies required to implement them?

If not, how do we create them – by developing them internally or through lateral induction from outside?

2) For critical positions, what is the succession pipeline?

3) What are the individual development plans for individuals both in the succession pipeline as well as others?

The framework lays down architecture and processes to address these questions using the below approach:

a) Experience i.e. both long and short-term assignments. This has 60% weightage.

b) Exposure i.e. coaching and mentoring – 20% weightage.

c) Education i.e. learning and development initiatives – 20% weightage.

The Talent Management process is applicable to all employees. Over the years, the Talent Management framework has become a well-structured and process oriented system.

The talent pipeline is maintained and developed so as to ensure that there is a seamless flow of talent. An important part of this exercise is drawing up and implementing IDAPs (Individual Development Action Plans) for every Executive concerned using the approach mentioned above.