



ALCOBREW DISTILLERIES INDIA LIMITED

SUCCESSION PLAN

Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

CIN: [U15520DL2002PLC117974]

Registered Office: [C-423, Sarita Vihar, South Delhi, New Delhi-110076, India]

[Corporate office: 6th floor, Magnum Tower II, Golf Course Extension Road, Sector-58, Gurgaon-122011]

1. PREFACE

Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter referred to as “**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 to the Board of Directors and the Senior Management, in order to ensure that interests of investors of a Company does not suffer on account of sudden or unplanned gaps in management of the Company.

Whereas under Section 178 of the Companies Act, 2013, as amended, (“**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.

The Succession Planning of Alcobrew Distilleries India Limited (“**the 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.

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

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:

1. Whole-time Directors and other Directors of the Board;
2. Senior Management including Key Management Personnel;
3. Any other position within the Company at the discretion of the Chairman and Managing Director in consultation with the Board.

4. OBJECTIVE

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

- a) To ensure that the Company has a Succession Plan to support operations and service continuity when senior business leaders vacate their positions.
- b) Prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities.
- c) To identify and nominate candidates for the Board’s approval (including Nomination and Remuneration Committee) to fill vacancies which may arise in the Board from time to time and identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- d) 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.

- e) 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, 2013 or rules made there under or the Securities and Exchange Board of India Act, or regulation made there under shall have the same meanings respectively assigned to them in those acts, rules, and regulations.

6. DEFINITION:

5.1. **“Board of directors” or “Board”** means the Board of Alcobrew Distilleries India Limited as constituted or reconstituted from time to time.

5.2. **“Company”** means Alcobrew Distilleries India Limited.

5.3. **“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 (**“Act”**).

5.4. **“Senior Management”** shall mean officers/personnel of the Company who are members of its core management team excluding Board of directors and normally this shall comprise all members of management one level below the executive directors and shall specifically include Company Secretary, Chief Financial Officer & all functional heads.

7. SUCCESSION PLAN

(a) Succession Plan for the Board

The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 read with the SEBI Listing Regulations as may be amended from time to time.

The NRC shall proactively review the succession requirements for the Board and identify suitable person amongst 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.

The Board shall frame Nomination & Remuneration Policy in relation to appointment/ reappointment of directors & Senior Management in accordance with the provisions of Companies Act and Listing Regulations. Hence, the appointment / reappointment of Directors shall be governed by the provisions of the Nomination & Remuneration Policy of the Company.

(b) Succession Plan for the Senior Management

i. The NRC shall periodically review and consider 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, within the year. NRC shall consider new vacancies that may arise due to the business needs/restructuring of functions/departments.

ii. For the above purpose, the NRC shall assess the availability of suitable candidates for the Company's future growth and development. NRC shall consider all relevant criteria like experience, qualification, age, and leadership quality before recommending the appointment of an incumbent to the management.

iii. The NRC may consider appointing other suitable external candidates at senior management level based on job roles and competency, in order to provide a continuous flow of talented people to meet the organizational needs.

iv. Where it is decided to appoint an external candidate, timely and planned steps shall be taken for selection of a suitable candidate so that the appointment is made well before the retirement /relieving of the concerned officer to ensure smooth transition.

v. Authorized officer (appointed/designated by the Board) shall from time to time identify employees with high potential who merit faster career progression to the position of higher responsibility and formulate, administer, monitor, and review the process of skill development and identify the training requirements.

vi. In case of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart of the Company shall take interim charge of the position, pending regular appointment in terms of the succession plan.

vii. The appointment of Key Managerial Personnel such as Chief Financial Officer (CFO), Company Secretary (CS) and other Compliance Professionals like Internal Auditor (if employee) shall be made in the accordance with the provisions of the Companies Act read with the Listing Regulations and such other laws as applicable to such appointment.

viii. NRC may develop a data bank of potential candidates and the source for procuring candidates, such as, through reputed Human Resource consultants / agency.

8. REVIEW OF THE POLICY

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.

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.

9. COMPLIANCE

The NRC would be responsible for supervision of the Policy. Any queries regarding this Policy may be referred to the NRC, who is in charge of administering, enforcing and updating this, Policy.

10. DISSEMINATION OF THE POLICY

The approved Policy shall be uploaded under a separate section on the website of the Company.

11. EFFECTIVE DATE

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