



KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

Policy on succession planning for the Board MD & CEO, Key Management Personnel and Critical roles.

BACKGROUND

In accordance with the provision of Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended (“SEBI Listing Regulations”), the board of directors (the “Board”) of Krishna Defence and Allied Industries Limited (the “Company”) has adopted this policy (“Succession Policy”) on the 08th April, 2025, upon the recommendation of the Nomination and Remuneration Committee. The Board based on the recommendation of the Nomination and Remuneration Committee may amend this Policy from time to time with respect to matters covered under this Policy or otherwise.

DEFINITIONS

1. "Company" means Krishna Defence and Allied Industries Limited.
2. "Board" means the board of directors of the Company.
3. “Nomination and Remuneration Committee” or “Committee” means the committee of the Board constituted/reconstituted under the provisions of the Companies Act, 2013.
4. “Senior Management” means officers/personnel of the listed entity 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 chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

OBJECTIVES

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

- To identify and nominate suitable candidates for MD & CEO role. the Board's (including Nomination and Remuneration / Compensation Committee) approval to fill the vacancies which arises \ from time to time which will be subject to the approvals / prior approval in terms of the Listing Regulations.
- To identify the Key Management Positions and critical roles of the business (as per Companies Act).
- Identify core competencies needed for the role and assess potential candidates by capturing information on the incumbent by administering tools and resources like Behavioural Assessment, 360 degree feedback, pen and portrait (case basis), key stakeholder (Supervisor, NRC) feedback / inputs, performance records, tenure, critical success factors and structured dialogue with employee linked to his/ her career aspirations.





- Drive development of potential resources to enhance capability & skills for required competencies by providing role enhancement, exposure to new roles based on job fit, assignments and projects, learning initiatives in a planned and structured manner.
- To identify the key job incumbents in the critical roles / positions and recommend on role fitment / gaps (if any) and 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).
- 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 occurrences.

APPLICABILITY

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

1. The Board of the Company
2. Senior Management of the Company as defined in Regulation 16(d) of the SEBI Listing Regulations.
3. Any other positions within the Company at the discretion of the MD & CEO and Group Head.

SUCCESSION PLAN:

Planning and review:

The Committee shall periodically review and determine if there is reason to believe that one or more Director slots/Senior Management position shall become vacant within the next twelve months and accordingly report its finding to the Board.

1. Procedure:

- i) If the Committee anticipates that a Director slot/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 committee shall as soon as reasonably practicable recommend to the Board, sufficient number of candidates for selection.
- ii) The Committee shall start the proceed of appointment of Directors in place of the Directors retiring on completion of their tenure, at least 6 months prior to the completion of said directors tenure.
- iii) While identifying candidates for nomination as Director or Senior Management, the Committee 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.
- iv) The Committee shall have the authority to engage whatever advisors (including attorneys and search firms) it believe appropriate in its efforts to identity and evaluation potential candidates.





- v) The Committee shall also periodically review the list of high performer employees within the Company that may be potential candidates for elevation to the position of Senior Management position.

2. Assessment of candidates

The Committee shall make an initial assessment of potential candidates for the vacancy. It shall select from such pool, candidates for an initial interview by one or more members of the Committee. No candidate shall be recommended to the Board for selection without such candidate having been interviewed by all the members of the Committee. When the Committee identifies individuals that it believes meet the criteria mentioned in the Nomination and Remuneration Policy of the Company, it shall recommend them to the Board for selection.

3. Emergency Succession

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

REVIEW OF POLICY

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.

