

# **MOHIT PAPER MILLS LIMITED**

Reg. Office: 15A/13, Upper Ground Floor, East Patel Nagar, New Delhi- 110008

Works: 9km stone, Nagina Road, Bijnor, UP- 246701

E-mail: [investorsmohitpaper@gmail.com](mailto:investorsmohitpaper@gmail.com) website: [www.mohitpaper.in](http://www.mohitpaper.in)

Ph: 011-25886798

Policy:

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

*“We foster a culture of ‘growing talent from within’ by providing training and development opportunities for our staff and as well for our company to better equip them for the challenges of today and readiness for tomorrow”*

## **SUCESSION PLANNING OF “MOHIT PAPER MILLS LIMITED” FOR APPOINTMENTS TO THE BOARD AND SENIOR MANAGEMENT:**

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and any other Rule(s), law(s), if any (include and modification or reenactment if any thereof). This succession planning (hereinafter referred to as “Framework”) is in pursuance to the Board’s responsibility to oversee succession plans of the company for appointment to the board and senior management of the company.

### **SCOP:**

This Framework intends to provide a succession plan for vacancies caused in Key Executive positions in the Company.

### **INTERPRETATIONS:**

“**Board**” means the Board of Directors of the Company.

“**Company**” means Mohit Paper Mills Limited.

“**Directors**” means all the present directors of the company, whether in whole-time employment of the company or not.

“**Key Managerial Personnel**” means the Managing Directors, Whole-Time Directors, Chief Operating officers, managers, company secretary or chief financial officer of the company.

“**Senior Management**” means employee of the company who are members of its core management team excluding Board of Directors comprising of Key Managerial Personnel of the company and all members of management one level below the executive directors, including the functional heads.

“**Committee**” mean Nomination and Remuneration Committee.

### **INTRODUCTION:**

Mohit Paper Mills Limited (“The Company”) is a public company incorporated in 1992 under the provisions of the Companies Act, 1956. Pursuant to Regulation 17 (4) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“Listing Regulation”) and listed succession planning as key function of the Board of Directors. This is one of the most significant attempts 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 managerial personnel. Succession planning is an essential component to the survival 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. The Company recognizes the importance of the process to Succession Planning to provide for continuity in the smooth functioning of the organization. There are certain positions in the Company that are keys to Company’s 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 up such positions 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 (hereinafter called the “Policy”).

**OBJECTIVES OF THE SUCCESSION PLANNING PROGRAMME:**

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

- i) 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.
- ii) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- iii) To identify the key job incumbents in Senior Managerial positions 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).
- iv) 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.

**MODE FOR SUCCESSION:**

The Nomination and Remuneration Committee shall in consultation with the Board on an ongoing basic, assess the leadership needs of the company and help insure the selection of qualified and capable leaders who can be good fit for the company’s vision, values, goals and objectives and who has the necessary skills for the position. The Committee will work with the Board or the Managing Directors, if so authorized by Board and Human Resources Department to assess the current term of key executives of the company and any retirement or resignation plans.

Based on the abovementioned criteria, a potential candidate for the position of key executive can be selected either from within a database of information (Database) on potential replacement candidates, in preparation for any placed or unplanned departures by the key executives, which database will be reviewed and assessed annually by the Board so that the list of candidate remains current and viable.

**SUCCESSION PLAN FOR THE BOARD AND SENIOR MANAGEMENT:**

The Nomination and Remuneration Committee of the Company shall review the leadership needs of the Company from time to time as they deem fit.

**SUCCESSION PLAN FOR THE BOARD:**

The Nomination and Remuneration Committee 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 every such person shall meet the ‘fit and proper’ criteria, as per provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Companies Act, 2013, accordingly any appointment or re-appointment of a Director shall be subject to prior approval by Nomination and Remuneration Committee of the Company. The Company has

framed a Nomination Policy to guide the Board in relation to appointment/reappointment/removal of Directors, to 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 Managing Director/Whole-time Directors of the Company shall be governed by the provisions of Nomination and Remuneration policy of the Company approved by the Board.

**SUCCESSION PLAN FOR THE SENIOR MANAGERIAL PERSONNEL:**

The Nomination and Remuneration Committee shall periodically review and consider the list of senior managerial personnel due for retirement/attrition within the year. The Committee shall also consider the new vacancies that may arise because of business needs/up-gradation of Department(s)/Regional Office(s). Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future growth and development. Further, based on the recommendation of the Managing Director and the Nomination and Remuneration Committee:-

- i) Shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board whether the concerned individual.
  - (a) be granted an extension in term/service or
  - (b) be replaced with an identified internal or external candidates.
  
- ii) Shall identify the competency requirements of Board/Key Managerial Personnel 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.
  
- iii) may recommend to the Board 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.
  - a) The regular internal promotion/transfer upto the cadre of GM shall be governed by the promotion/transfer policy of the Company.
  - b) The prevailing promotion/transfer policy of Company shall be designed in such a way that the existing/proposed senior managerial personnel 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.
  - c) 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 the smooth transition.
  - d) The recommendation of the Nomination and Remuneration Committee shall be placed to the Board for approval. While making its recommendation, the Nomination and Remuneration Committee shall consult with the Managing Director, as may be relevant and all factors including the available talent within the organization and the need to ensure continuous working and growth of the Company shall be carefully considered.

- e) The Managing Director and Head – 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.
- f) Every member of the senior management team shall always endeavour to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.
- g) In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart (as far as practicable) shall take interim charge of the position, pending a regular appointment in terms of the succession plan.
- h) In addition to the above, the appointment of Key Managerial Personnel such as Chief Financial Officer & Company Secretary and other Compliance Professional like Chief Risk Officer, Chief Compliance Officer, if any under protected disclosure scheme etc. to be made in compliance with all applicable provisions of Companies Act, 2013 (including the rules made there under and modification and re-enactment if any thereof), SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

#### **IDENTIFICATION AND DEVELOPMENT OF INTERNAL CANDIDATES:**

##### Identification:

For identification of potential candidates from within the company, the candidate must have high potential alongwith traits to lead the company/function for which he is being considered. Performance appraisals of the candidate should be assessed to review the dedication and growth the dedication and growth potential. Further, his long term vision and expectation from the organization needs to be objectified, which shall signal his/her interest in progression in the company. Further, his career track record may be referred to, to assess the stability of the candidate in a particular organization.

##### Training and Development:

The company will work with the Board or the Managing Director, if so authorized by the board and the Human Resources Department, on an ongoing basis, to focus on developing needs of such potential internal candidate to ensure that the right mix of skill and personality are being developed, monitor the development of these candidates and be positioned to assess the readiness of candidates. Appropriate resources shall be deployed and training shall be made available to give such candidate a chance for success. In addition, the Committee and Board shall program to determine if it is adequate and likely to produce the type of talent it takes to sustain effective leadership.

#### **IDENTIFICATION OF EXTERNAL CANDIDATES:**

The Committee shall work with the Board or the Management Director, if so authorized by the Board and the Human Resources Department in identification of prospective external candidates for Key Executive positions, taking into consideration the criteria as laid down above. For this purpose, the committee may involve professional job consulting agencies or through available contacts with the company.

For succession as an independent director of the company, the company may also look for suitable candidates from the databank, as maintained by the government or any other body in that regard.

## **PROCEDURE FOR SUCCESSION:**

### **In case of temporary vacancy caused due to illness or leave of absence:**

In such cases, the second in command to the key executive, which may be in accordance to their grades or designation or any other superiority criteria as may be determined by the Managing Director or the head of Human Resources Department, shall be take over the responsibilities till the key executive resumes his office.

### **In case of foreseeable vacancy such as retirement or removal**

In such cases the committee shall, in consultation with the Managing Director and the Head of Human Resources Department, atleast one month before the impending retirement or removal, start the process of selecting a candidate from the existing database of the company.

### **Once the vacancy is created:**

- a) In case of appointed as a director or a Key Managerial Personal, recommended to the Board the candidature of the selected individual for its approval.
- b) In case of appointment s to senior management, excluding key managerial personnel, the committee shall itself appoint or may ratify the appointment made by the Managing Director or the head of Human Resources, if so authorized by the committee.

Incase an external candidate has been selected to the key executive position, appropriate training should be provided so as to familiarize him/her the organization and roles and responsibilities that are expected of him/her.

### **In case of unforeseeable vacancy caused due to resignation, death or otherwise:**

In such cases, the following procedures will be followed to insure that the company's operations are not interrupted while the Board identifies a successor:

- a) In case of appointment of Directors and Key Managerial Personal, within Sixty (60) business days, the committee shall work with the Managing Director and the head Human Resources Department to identify a suitable candidate from the database as kept by the company and recommend the same to the Board.
- b) Once recommended, the board shall assess the candidate, post which it may approve or reject candidature. In case of rejection, the company shall, as soon as possible bit not later than Sixty (60) business days, select another candidate for recommendation to the board.
- c) In case of appointment to senior management, excluding key management personal, the committee shall or if so authorized by head of human resources identify and appoint persons capable of handling the responsibilities of the senior management position, from the database of maintained for this purpose.
- d) In the interim, the functions of the key executive, excluding that of non-executive directors, shall be performed by such employee of the company who are second in command to the key executive, in accordance to their grades or designation or any other

superiority criteria as may be determine by the Managing Director or the Head of Human Resources Department.

**ADMINISTATION AND REVIEW**

The Board shall be responsible for overseeing the implementation of this framework and its related procedures from time to time. The Board reserve its right to amend or modify this framework in whole or in part, at any time without assigning any reason whatsoever.

\*\*\*\*\*