

**NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**

**POLICY ON SUCCESSION PLANNING FOR APPOINTMENT OF DIRECTORS,  
KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

<b>Version</b>	<b>Approved Date</b>
V.01	May 10, 2024
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## 1 BACKGROUND

In terms of Regulation 17(4) of LODR *inter alia* stipulates that the Board of the Company shall satisfy itself that plans are in place for orderly succession for appointment to the Board and senior management.

In accordance with the foregoing, this policy on succession planning for the board of directors, key managerial personnel and senior management is set out below.

## 2 OBJECTIVE

This Policy aims to develop an action plan for successful transition of directors and senior management in accordance with LODR. The Policy further aims to:

- 2.1 To identify and nominate suitable candidates for the Board's approval to fill vacancies which may arise in the Board from time to time;
- 2.2 To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives;
- 2.3 To identify the key job incumbents in KMP and SMP and recommend whether the concerned individual be granted an extension in term/service or be replaced with an identified internal or external candidate or recruit other suitable candidate(s); and
- 2.4 To ensure the systematic and long-term development of individuals in the senior management level to replace as and when the need arises due to deaths, disabilities, retirements, separations and other occurrences.

## 3 DEFINITIONS AND INTERPRETATIONS

- 3.1 In this Policy, the following words and expressions shall have the meanings set forth below:
  - 3.1.1 **Board** means the board of directors of the Company;
  - 3.1.2 **Board Succession Plan** shall have the meanings set forth in Clause 4.1.1;
  - 3.1.3 **Company** means Niva Bupa Health Insurance Company Limited (formerly known as Max Bupa Health Insurance Company Limited);
  - 3.1.4 **Companies Act** means the Companies Act, 2013 and rules made thereunder, as amended from time to time;
  - 3.1.5 **Corporate Governance Guidelines** means Guidelines for Corporate Governance for insurers in India dated 18 May 2016 issued by Insurance Regulatory and Development Authority;
  - 3.1.6 **Directors** shall mean the members of the Board including the Independent Directors;
  - 3.1.7 **Emergency Succession Plan** shall have the meanings set forth in Clause 4.1.14.1.3;
  - 3.1.8 **Independent Director** means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to

the promoter group of the Company and who satisfies other criteria for independence under the Companies Act and the LODR;

3.1.9 **KMP** means key managerial personnel as defined under the Companies Act and 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;

3.1.10 **Nomination and Remuneration Committee** means the nomination and remuneration committee of the Board;

3.1.11 **LODR** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

3.1.12 **Policy** means this policy on succession planning for appointment of directors, key managerial personnel and senior management;

3.1.13 **SEBI** means the Securities and Exchange Board of India;

3.1.14 **SMP** means shall mean officers / personnel of the Company who are members of its core management team excluding Board, and normally this shall comprise all members of 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, and the Company Secretary and the Chief Financial Officer;

3.1.15 **KMP and SMP Succession Plan** shall have the meanings set forth in Clause 4.1.2;

3.1.16 **Succession Plan** means collectively Board Succession Plan, KMP and SMP Succession Plan and Emergency Succession Plan.

3.2 Capitalised terms used in this Policy and not defined above shall have the same meaning as assigned to them under the LODR or any other applicable law.

#### **4 TYPES OF SUCCESSION PLANS**

4.1 Nomination and Remuneration Committee shall assess the succession requirements for the Board, KMP and SMP, and while doing so bear in mind the three broad categories of instances that require succession planning:

4.1.1 Expected events at the Board level such as succession requirement on account of completion of fixed term of directorship or statutory restrictions on reappointment beyond a term for independent directors. Such events shall be accounted for in the Board Succession Plan.

4.1.2 Expected events at the KMP and/or SMP level such as succession requirement on account of completion of contractual term of KMP and/or SMP, or superannuation or retirement of KMP and/or SMP. Such events shall be accounted for in the KMP and SMP Succession

Plan.

- 4.1.3 Unexpected event such as sudden vacancy of office on account of reasons such as resignation by Director or KMP or SMP prior to end of the term, or incapacitation or health emergencies or demise of Director or KMP or SMP. Such events shall be accounted for in the Emergency Succession Plan.

## **5 GENERAL PRINCIPLES FOR SUCCESSION PLANNING AND SUCCESSION PLAN**

- 5.1 Nomination and Remuneration Committee shall oversee and review the Succession Plan from time to time and recommend the same to the Board, to *inter alia* ensure its relevance and effectiveness in meeting evolving needs of the Company.
- 5.2 The Succession Plans shall be:
  - 5.2.1 Aligned with the Policy on Diversity of the Board of the Company, and embrace the concept of diversity, equity and inclusion.
  - 5.2.2 Transparent, fair, and merit-based, with objective parameters to assess candidates.
  - 5.2.3 Proactive rather than reactive, that is also to say that the Company should aim to anticipate future leadership needs and systematically groom and develop potential successors, rather than waiting for unexpected vacancies to arise.
  - 5.2.4 Flexible and adaptable to changing circumstances, such as shifts in business priorities, market conditions, or technological advancements.
  - 5.2.5 An ongoing process that requires continuous evaluation and improvement. The Company shall solicit feedback from stakeholders, monitor the effectiveness of Succession Plans, and make adjustments as needed to optimize outcomes and drive performance of the Company.

## **6 BOARD SUCCESSION PLAN**

- 6.1 Board Succession Plan shall be prepared in a manner such that aspects like appointment and resignation as well as composition of the Board are compliant with the applicable law including the Companies Act, LODR and Corporate Governance Guidelines.
- 6.2 Directors shall be eligible for reappointment subject to performance evaluations, in terms of the Policy for Evaluation of the Performance of the Board of the Company.

## **7 KMP AND SMP SUCCESSION PLAN**

- 7.1 KMP and SMP Succession Plan shall be prepared in a manner such that aspects like eligibility etc are compliant with the applicable law including the Companies Act, LODR and Corporate Governance Guidelines.
- 7.2 To supplement the KMP and SMP Succession Plan, the Company shall also

endeavour to cultivate a robust succession pipeline at the KMP and SMP levels, as well as the level below, to enable seamless transition.

## **8 EMERGENCY SUCCESSION PLAN**

- 8.1 Emergency Succession Plan shall be prepared in a manner such that aspects like statutory vacancy timelines are adhered to, and the Emergency Succession Plan is compliant with the applicable law including the Companies Act, LODR and Corporate Governance Guidelines.
- 8.2 Emergency Succession Plan shall provide for interim occupation of office becoming vacant on account of the emergency as well as guide on the process to identify and select candidate to fill the vacant office as a matter of formal appointment.
- 8.3 The core value of the Emergency Succession Plan shall be to maintain continuity in leadership and mitigate risks associated with transitions, and avoid any operational and/or administrative disruption.

## **9 TYPICAL PROCESS FOR EXECUTING SUCCESSION PLANS**

- 9.1 **Evaluating balance of skills and defining key selection requirements:** Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and accordingly prepare a description of the role and capabilities required.
- 9.2 **Identification of candidate:**
  - 9.2.1 Nomination and Remuneration Committee shall determine the suitability of candidates for vacant positions in the Board, KMP and SMP, levels based on factors such as educational qualification, experience, age, health, leadership qualities, suitability to external market requirement/expectation, etc.
  - 9.2.2 Nomination and Remuneration Committee shall undertake due diligence and background check on the identified candidates.
- 9.3 **Candidate engagement:** Nomination and Remuneration Committee shall discreetly communicate with the identified candidates, and coordinate interviews for selection.
- 9.4 **Recommendation to the Board:** Once a suitable candidate(s) is identified, the Nomination and Remuneration Committee shall recommend the identified candidate(s) to the Board.
- 9.5 **Communication post selection:** Nomination and Remuneration Committee shall discreetly inform all identified candidates under consideration before a formal announcement on the selection is made.

## **10 BOARD SUCCESSION PLAN**

- 10.1 Board Succession Plan shall be prepared in a manner such that aspects like appointment and resignation as well as composition of the Board are compliant with the applicable law including the Companies Act, LODR and Corporate Governance Guidelines.
- 10.2 Directors shall be eligible for reappointment subject to performance

evaluations, in terms of the Policy for Evaluation of the Performance of the Board of the Company.

## **11 KMP AND SMP SUCCESSION PLAN**

- 11.1 KMP and SMP Succession Plan shall be prepared in a manner compliant with the applicable law including the Companies Act, LODR and Corporate Governance Guidelines.
- 11.2 As part of the SMP Succession Plan, the Company shall endeavour to cultivate a robust succession pipeline at the KMP and SMP levels, as well as the level below, to enable seamless transition.

## **12 EMERGENCY SUCCESSION PLAN**

- 12.1 Emergency Succession Plan shall be prepared in a manner such that aspects like statutory vacancy timelines are adhered to, and the Emergency Succession Plan is compliant with the applicable law including the Companies Act, LODR and Corporate Governance Guidelines.
- 12.2 The core value of the Emergency Succession Plan shall be to maintain continuity in leadership and mitigating risks associated with transitions, and avoid any operational and/or administrative disruption.
- 12.3 In case of any unexpected events including the ones listed at Clause 4.1.14.1.3, suitable person identified by the Company shall take interim charge of the position, pending the formal appointment.

## **13 REVIEW AND APPROVAL OF POLICY**

This Policy will be reviewed by Nomination and Remuneration Committee and approved by the Board of Directors, at least [annually] or as and when required.

## **14 DISCLOSURE**

This Policy shall be disclosed on the website of the Company.

## **15 INTERPRETATION**

- 15.1 In all circumstances where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation, or standard governing the Company, the said law, rule, regulation, or standard will take precedence over this Policy.
- 15.2 Any and all terms which have been defined under the Companies Act and/or the LODR (including subordinate legislations thereunder) shall be construed as per such definitions in these laws.