

RAIN INDUSTRIES LIMITED

SUCCESSION POLICY

RAIN INDUSTRIES LIMITED
CIN : L26942TG1974PLC001693

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POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

1. BACKGROUND AND SIGNIFICANCE

As per the Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of Directors of every listed Company shall Oversee succession planning of the Company.

Accordingly, Rain Industries Limited (the Company) has formulated a policy on succession planning.

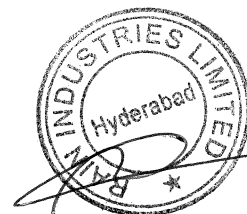
Succession planning is an essential component to the survival and growth of any business. Succession planning is a tool for an organization to ensure its continued effective performance through leadership continuity. A good succession planning program aims to identify high growth individuals, train them and feed the pipelines with talent.

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 key 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").

2. OBJECTIVES OF THE SUCCESSION PLANNING PROGRAMME

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

- a) 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.
- b) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- c) To identify the key job incumbents in Senior Managerial 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 candidate(s).



- d) 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 unexpected occurrence.

3. APPLICABILITY OF THE POLICY

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

- i) Managing Director and other Board of Directors;
- ii) Senior Managerial Position:-
 - a) Whole Time Director;
 - b) Chief Financial Officer;
 - c) Company Secretary;
 - d) Any other positions within the Company at the discretion of the Managing Director/Whole Time Director.

4. 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.

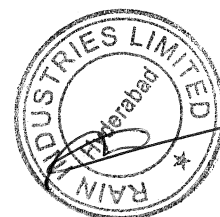
5. SUCCESSION PLAN FOR THE BOARD

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 the Nomination and Remuneration Committee may stipulate from time to time and 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 and Remuneration 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.

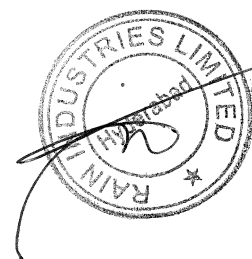
Accordingly, the appointment/re-appointment/removal and tenure of the Directors including the Managing Director/Chairman/Whole-time Directors of the Company shall be governed by the provisions of Nomination and Remuneration policy of the Company approved by the Board.

However, the appointment of Nominee Director will be done by the Board of Directors as per the directions of the Banks, Financial Institutions, etc.



6. SUCCESSION PLAN FOR THE SENIOR MANAGERIAL PERSONNEL

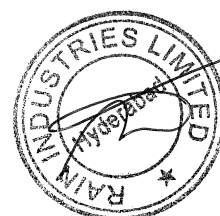
- The Nomination and Remuneration Committee shall periodically review and consider the list of senior managerial personnel due for retirement/attrition within the year. The Committee shall also consider the new vacancies that may arise because of business needs/up-gradation of Department(s)/Regional 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 Head – Human Resources, 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 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.
 - 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 the smooth transition.
 - v. 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 Chairman and 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.
 - vi. 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.



- vii. 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.
- viii. 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.
- ix. In addition to the above, the appointment of Key Managerial Personnel such as Chief Financial Officer, Company Secretary and other Compliance Professionals shall be made in compliance with all applicable provisions of the Companies Act, 2013 (including the rules made there under) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

7. COMPENSATION OF EXECUTIVE AND NON- EXECUTIVE DIRECTORS

- On the recommendation of the Nomination and Remuneration Committee, the Board will fix the remuneration of Non-Executive Directors.
- The Non- Executive Directors shall be entitled for sitting fees for attending Board/ Committee meetings at such rate as may be approved by the Board from time to time.
- In addition to the sitting fees, the Company will bear or reimburse the normal travelling, boarding and lodging expenses of Directors incurred for the purpose of attending Board/ Committee meetings or for attending any other duties on behalf of the Company.
- Subject to the compliance with the provisions of Companies Act, 2013, the Board may on the recommendation of the Nomination and Remuneration Committee, after taking into account the profitability of the Company for each financial year, approve the payment of an annual commission payable to each Non-Executive Directors of the Company for each financial year or part thereof.
- Where a Director has left the Company before the completion of a financial year or before approving the payment of commission by the Board, the Board may in its absolute discretion sanction such amount as commission to such Director for his services during the period for which the commission was fixed.
- Remuneration of Executive Directors shall be fixed by the Board on the basis of recommendation of the Nomination and Remuneration Committee. The remuneration of the Executive Directors shall be a combination of fixed monthly salary in terms of their appointment as approved by the Board/ shareholders and a performance based commission to be decided by the Board on the recommendation of the Nomination and Remuneration Committee.



- The performance parameters to be applicable to the Executive Directors, the minimum and maximum amount of commission payable in line with the achievement of various targets/ parameters will be decided by the Nomination and Remuneration Committee from time to time.

8. COMPENSATION PLAN FOR KEY MANAGEMENT PERSONNEL (KMPS) AND OTHER SENIOR MANAGEMENT TEAM MEMBERS

- The compensations structure shall be devised in a manner that will help the Company to attract and retain top talents to run the Company efficiently with a long term perspective.

9. POLICY REVIEW AND AMENDMENTS

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy.

10. DISCLOSURES

The Succession Policy shall be disclosed on the website of the Company i.e., at www.rain-industries.com

for **Rain Industries Limited**



N. Jagan Mohan Reddy
Managing Director
DIN: 00017633



Place : Hyderabad
Date: August 11, 2017