

## **POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT OF THE BHARAT HIGHWAYS INVIT**

### **1. BACKGROUND**

The Securities and Exchange Board of India has mandated the need for a succession policy pursuant to Regulation 26G of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (the “**SEBI InvIT Regulations**”) read with Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”). It is an attempt to ensure that investors do not suffer due to sudden or unplanned gaps in leadership.

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.

GR Highways Investment Manager Private Limited, (the “**Investment Manager**”) the investment manager to the Bharat Highways InvIT (“**InvIT**”) recognises the importance of the process to succession planning to provide for continuity in the smooth functioning of the organisation. There are certain positions on the Board of the Investment Manager (the “**IM Board**”) and senior management that are key to the InvIT’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 Investment Manager has therefore put in place a Policy on Succession Planning for the Board and Senior Management (the “**Policy**”).

### **2. OBJECTIVES**

- a. To identify and nominate suitable candidates for the approval of the Board of Directors of the Investment Manager to fill the vacancies which arises in the Board, 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: (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); and
- d. To ensure the systematic and long-term development of individuals in the senior management level and to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence.

### **3. APPLICABILITY OF THE POLICY**

The Policy shall be applicable for succession planning of the members of the IM Board, Senior Management and any other positions within the Investment Manager at the discretion of the managing director and/or the chief executive officer in consultation with the IM Board.

Explanation: The term “Senior Management” shall mean mean the officers and personnel of the Investment Manager who are members of its core management team, excluding the IM Board, and shall include the chief executive officer, chief financial officer, compliance officer and all members of the management who are one level below the chief executive officer.

### **4. SUCCESSION PLAN FOR THE BOARD AND SENIOR MANAGEMENT**

The Nomination and Remuneration Committee of the IM Board (the “**Committee**”) shall review the leadership needs of the Investment Manager, from time to time.

#### **4.1 Succession plan for the Board:**

The Committee, shall determine the suitability of every person who is being considered for being appointed or re-appointed as a director based on his/ her educational qualification, experience, track record and contribution to the IM Board, as applicable, and every such person shall meet the ‘fit and

proper' criteria, as may be stipulated, from time to time, and accordingly any appointment or re-appointment of a director shall be subject to prior approval / recommendation by the Committee.

#### 4.2 **Succession plan for the Senior Management:**

The human resources department of the Investment Manager (the “**HR**”) shall periodically review and consider the list of senior managerial personnel due for retirement/ attrition within the year. The HR 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 HR shall assess the availability of suitable candidates for the InvIT's future growth and development.

Further, based on the recommendation of the managing director and/or the chief executive officer, the HR:

- a. shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc., and recommend whether the concerned individual (i) be granted an extension in term/ service; or (ii) be replaced with an identified internal or external candidates;
- b. shall identify the competency requirements of the key positions, assess potential candidates and develop required competency through planned development and learning initiatives. HR may utilise the services of professional search firms to assist in identifying and evaluating potential candidates;
- c. may recommend to appoint other suitable external candidate(s) as special recruitment in senior managerial positions based on the profiles and competency in order to provide a continuous flow of talented people to meet the organisational needs;
- d. the prevailing promotion/ transfer policy or related policy of the Investment Manager 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;
- e. every member of the senior management shall always endeavour to add capability in-house and mentor officials with potential working under him/ her to handle his responsibility in his/ her absence by exposing him/ her to all aspects of work being handled by him/ her; and

#### 5. **CONFLICT IN POLICY**

In the event of any conflict between the Companies Act, 2013 or the SEBI regulations or any other statutory enactments (“**Regulations**”) and the provisions of this Policy, the Regulations shall prevail over this Policy.

#### 6. **AMENDMENTS**

Any subsequent amendment/modification in the Companies Act, SEBI InvIT Regulations and SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

#### 7. **REVIEW OF POLICY**

The IM Board has the power to review this Policy, from time to time, on the recommendation of the Nomination and Remuneration Committee.