BOSTON LEASING AND FINANCE LIMITED

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POLICY FOR SUCCESSION PLANNING FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

1. BACKGROUND:

The Securities and Exchange Board of India has mandated the need for a policy on succession planning pursuant to regulation 17(4) of the SEBI Listing Regulations. Pursuant to the SEBI Listing Regulations, BOSTON LEASING AND FINANCE LIMITED ("Company") is required to put in place a plan for orderly succession for appointment to the Board and as Senior Management Personnel. The primary objective of this Policy is to ensure the availability of capable individuals to assume leadership roles in a time of need. The benefit of succession planning is to reduce the risk associated with the loss of experienced leadership. Succession planning ensures that business continues to run smoothly after the business's most important people move on to new opportunities, retire or pass away. Accordingly, the Company has formulated this Policy for the appointment of the Directors on the Board and Senior Management Personnel to give effect to the provisions of the SEBI Listing Regulations.

2. APPLICABILITY:

This Policy shall be applicable to all Directors on the Board and Senior Management Personnel.

3. DEFINITIONS:

(a) **"Board"** shall mean the board of Directors of the Company.
(b) **"Company"** shall mean BOSTON LEASING AND FINANCE LIMITED.
(c) **"Directors"** shall mean all members of the Board.
(d) **"Nomination and Remuneration Committee" or "NRC"** shall mean the Nomination and Remuneration Committee of the Company.
(e) **"Policy"** shall mean this Policy on Succession Planning for the Board of Directors and Senior Management Personnel.
(f) **"SEBI Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
(g) **"Senior Management Personnel" or "SMP"** shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the 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) i.e., employees falling in the category of Band 4 and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

4. PRINCIPLES AND OBJECTIVES:

The main principles and objectives of this Policy are as under:

(a) To ensure that the Company has a succession plan to support operations and service continuity when senior business leaders vacate their positions.
(b) To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities.
(c) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
(d) To identify the key job incumbents in SMP 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) as per the service rules of the Company.
(e) To ensure systematic and long-term development of individuals in the SMP level to replace when the need arises due to death, disability, retirement or any other unexpected occurrence.

5. SUCCESSION PLANNING FOR APPOINTMENT OF DIRECTORS AND SMPs:

The NRC shall review the leadership needs of the Company from time to time

(a) Board: The NRC shall, from time to time, review the succession requirements for the Board and carry out the due diligence process to determine the suitability of every prospective person for being appointed or re-appointed as a Director of the Company based on his / her educational qualification, relevant experience, track record, reputation etc. The proposed candidate shall be evaluated by the NRC to determine the eligibility and fit and proper criteria as per the Companies Act 2013, and thereafter, such candidature shall be recommended to the Board for its consideration and approval.

There are three types of Directors being appointed on the Board – executive, nonexecutive and independent directors. Considering the above, the NRC shall consider the candidature of the Directors and then recommend to the Board.

(b) SMP: Based on the inputs received from the human resources department of the Company ("HR Department"), the NRC shall periodically review any vacancy/probable vacancy in the position of SMP which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise. Such appointments shall be taken up as required as per its terms of references for advising the management. The NRC and the Board shall act according to the provisions laid down herein above, subject to necessary approvals before such appointments or reappointments.

In this context, the new requirements as per the business plans and other positions which may arise as per business requirements should be suitably incorporated in the service rules of the Company. Key compensation elements shall be dealt under the service rules for SMP, which shall be reviewed by the NRC and the Board as and when necessary.

For appointment of an external candidate, selection of the suitable candidate shall be prompt and planned, so that the appointment is before the retirement/relieving to ensure the smooth transition.

The NRC, upon receiving recommendations from the HR Department, may periodically review and consider the list of SMP due for retirement / attrition within the year. The NRC shall also consider the new vacancies that may arise because of business needs / up-gradation of department(s) / regional office(s).

The Managing Director(s) and HR Department of the Company shall identify the competency requirements of SMPs, assess potential candidates and develop required competency through planned development and learning initiatives. The Company may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

The Managing Director(s) and HR Department of the Company shall, from time to time identify high-potential employees who merit faster career progression to positions of higher responsibility and formulate, administer, monitor and review the process of skill development and identify the training requirements.

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.

In addition to the above, the appointment of SMPs such as the Chief Financial Officer, Company Secretary, Chief Risk Officer and Compliance Officer, shall be in compliance with all applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and such other laws as applicable to such appointment.

6. DISCLOSURE IN THE BOARD'S REPORT:

The disclosures as required under the relevant provisions of the Companies Act, 2013, the rules made there under and the SEBI Listing Regulations shall be made as per the provisions.

7. AMENDMENT:

Any change in the Policy shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

8. COMPLIANCE:

The NRC would be responsible for supervision of the Policy. Any queries regarding this Policy may be referred to the NRC, who oversees administering, enforcing and updating this Policy.

9. INTERPRETATION:

In any circumstance 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

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