
POLICY ON SUCCESSION PLANNING FOR THE BOARD AN SENIOR MANAGEMENT

(Regulation 17(4) of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015)

A. BACKGROUND AND SIGNIFICANCE

The Securities and Exchange Board of India has mandated the need for a succession policy pursuant to Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI LODR Regulations**”), in order to ensure that interests of investors of a listed company does not suffer on account of sudden or unplanned gaps in management of the company. Therefore, the board of directors (“**Board**”) of all listed companies are required to develop an action plan for successful transition of key executives in accordance with the SEBI LODR Regulations. Pursuant to the SEBI LODR Regulations, Methodhub Software Limited (the “**Company**”) is required to put in place a plan for orderly succession for the Board and Senior Management. For this purpose, “Senior Management” shall mean officers / personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise of all members of management one level below the chief executive officer / managing director / whole time director / manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

Whereas under Section 178 of the Companies Act, 2013 (“**Companies Act**”), the Company is required to constitute a Nomination and Remuneration Committee. This committee, among other duties, is tasked with overseeing the development of a succession plan.

Succession Planning is an ongoing process that identifies necessary competencies, and then works to assess, develop, and retain a talent pool of employees, in order to ensure a continuity of leadership for all critical positions.

Succession planning is crucial to the survival and growth of any business and a tool for an organization to ensure its continued effective performance through leadership and management continuity.

The Company appreciates the importance of succession planning to ensure continuity in its smooth functioning. Key positions in the Company, which are important for the Company’s current and future growth are assigned to qualified and competent professionals. It is imperative to fill up vacancies in such positions well in time to ensure continuity in leadership and management of the Company.

In view of the above, the Company has formulated the following Policy on Succession Planning for the Board and Senior Management of the Company (“**Policy**”). The Policy shall become effective from January 14, 2025.

B. OBJECTIVES

The objectives of the Policy are, inter alia, as under:

- a. To identify and nominate suitable candidates for the Board’s approval to fill vacancies which may arise 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 Management positions 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

- d. 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, and other unexpected occurrence.
- e. Decide on two successors for the selected position. Employee with closest match to competency requirements of position will be the first successor to the position. The second successor will be the one with the second closest competency match to the position requirements and so on.
- f. To track overall progress.

C. APPLICABILITY OF THE POLICY

The Policy shall be applicable for succession planning of the managing director/whole-time/ executive directors, non-executive directors, independent directors and other members of the Board and Senior Management.

D. SUCCESSION PLAN FOR THE BOARD AND SENIOR MANAGEMENT

The Nomination and Remuneration Committee of the Board (the “NRC”) shall review the leadership and management needs of the Company from time to time. The NRC shall assess the suitability of a person who is being considered for appointment as a director of the Company, based on his / her educational qualification, experience, expertise and track record and shall recommend to the Board, the terms and conditions of his/her appointment, including remuneration.

NRC 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. The NRC may, at its discretion, recommend to the Board, appointment of suitable candidate(s) in Senior Management level with a view to ensure a continuous availability of managerial talent at senior levels to meet the organizational needs.

The recommendations of the NRC shall be placed before the Board for approval. The Senior Management team shall always strive to develop in-house capabilities by enriching work exposure.

Role of NRC Committee:

The NRC shall periodically review and consider the list of Senior Management personnel due for retirement within the year. The NRC shall also consider the new vacancies that may arise because of expansion of business and up-gradation of department(s).

- i. For the above purpose, the NRC shall consider all relevant criteria like experience, qualification, age and leadership quality and recommend the appointment of incumbent to the Management.
- ii. The NRC may consider appointing other suitable external candidates at Senior Management level based on job roles and competency, in order to provide a continuous flow of talented people to meet the organizational needs.
- iii. The Committee shall periodically review and determine if there is reason to believe that one or more director's slots/ Senior Management's position shall become vacant within the next twelve months and accordingly report its finding to the Board.

- 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. HR Head shall from time to time identify high potential employees who merit faster career progression to the position of higher responsibility and formulate, administer, monitor and review the process of skill development and identify the training requirements.
 - vi. In case of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart of the Company shall take interim charge of the position, pending a regular appointment in terms of the succession plan.
 - vii. The appointment of Key Managerial Personnel such as Chief Financial Officer (CFO), Company Secretary (CS) and other Compliance Professionals like Internal Auditor (if employee) shall be made in the accordance with the provisions of the Companies Act, 2013 read with the Listing Regulations.
- a. Assessment of candidates:**
The Committee shall make an initial assessment of potential candidates for the vacancy. It shall select from such pool, candidates for an initial interview by one or more members of the Committee. When the Committee identifies individuals that it believes meet the criteria mentioned in the Nomination and Remuneration Policy of the Company, it shall recommend them to the Board for selection.
- b. Procedure:**
- i. If the Committee anticipates that a Director/ Senior Management position shall become vacant within the next twelve months (whether by reason of an announced intent to retire or otherwise), or if such position suddenly becomes vacant (whether by death or otherwise), the Committee shall as soon as reasonably practicable recommend to the Board, sufficient number of candidates for selection.
 - ii. While identifying candidates for nomination as Director or Senior Management, the Committee may consult whatever sources it deems appropriate, including, but not limited to, referrals from existing Directors or Senior Management, recommendations from third-party search firms etc.
 - iii. The Committee shall have the authority to engage whatever advisors (including attorneys and search firms) it believes appropriate in its efforts to identify and evaluate potential candidates.
 - iv. The Committee shall also periodically review the list of high performer employees within the Company that may be potential candidates for elevation to the position of Senior Management position.

E. EMERGENCY SUCCESSION

If a Director's position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as early as possible to implement the process described herein.

F. REVIEW OF THE POLICY

The Policy shall be reviewed periodically by the Board or such individuals or committees of individuals authorised to do so, by the Board and any change in the Policy shall be approved by the Board of the

Company. However, all such amendments will be subject to applicable laws, rules and regulations, from time to time.

G. AMENDMENTS

The Board may amend the Policy as and when it deems necessary either pursuant to any change in law or otherwise. The Board shall be free to devise and implement any supplementary or other policies and guidelines in respect hereof for better implementation of this Policy.

Approved in the meeting dated January 14, 2025