

Avanti Finance Private Limited

## Policy on Succession Planning for Board of Directors and Senior Management

**This Policy was:**

<b>Version</b>	<b>Drafted by</b>	<b>Reviewed by</b>	<b>Committee approval date</b>	<b>Board approval date</b>
Version 1	Mr. Manish Thakkar, COO	Mr. Rahul Gupta, Director and CEO	April 08, 2026	April 18, 2026

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## Policy on Succession Planning for Board of Directors and Senior Management

### POLICY ON SUCCESSION PLANNING FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

#### 1. Preamble and Background

Avanti Finance Private Limited (the “Company”) is a Non-Banking Financial Company-Investment and Credit Company, placed at present in the Middle Layer of the Reserve Bank of India (“RBI”)’s regulatory structure.

The Board of Directors is required to oversee succession planning and satisfy themselves that plans are in place for orderly succession. Devising a proactive strategy for succession planning forms a critical function to ensure a smooth transition of responsibilities with minimal disruption to the organization.

Furthermore, following regulatory guidelines necessitate the implementation of a non-disruptive and seamless succession plan as part of business continuity within a period of three months from the occurrence of a resignation, removal, or early retirement of Non-Executive Directors or Senior Management.

- Pursuant to RBI Circular dated May 9, 2022 bearing reference number Ref.No.DoS.CO.PPG./SEC.3/11.01.005/2022-23, the Company is required to adopt a framework for immediate reporting of exit of Senior Management Personnel (SMP) and Non-Executive Directors, and a succession plan.
- Pursuant to Section 7 of the Reserve Bank of India’s Circular- Compliance Function and Role of Chief Compliance Officer in Non-Banking Financial Companies dated April 11, 2022, and the Company’s Compliance Policy, the Company is required to adopt a Board approved succession plan for the appointment of the Chief Compliance Officer.

Accordingly, the Company has adopted this Policy on Succession Planning for the Board of Directors and Senior Management (“Policy”) to establish a structured and comprehensive framework aimed at ensuring business continuity.

#### 2. Objectives of the Policy

The primary objectives of this Succession Planning Policy are to

- Ensure that the business of the Company is not adversely affected by vacancies in the Board or Senior Management due to retirement, resignation, death, permanent disability, or sudden exit.
- Identify and nominate suitable candidates for the Board's approval to fill vacancies in a timely manner, ensuring high-quality replacements.
- Identify the competency requirements of critical positions, assess potential candidates, and develop necessary competencies through planned learning initiatives.
- Create and maintain a talent pool of high-potential personnel who can be groomed to assume higher Board and Senior Management roles seamlessly whenever the need arises.

#### 3. Applicability

## Policy on Succession Planning for Board of Directors and Senior Management

This Policy focuses on succession planning for the following key personnel:

- Board of Directors (including Executive, Non-Executive, and Independent Directors).
- Key Managerial Personnel (KMPs), including the Chief Executive Officer, Chief Financial Officer, Company Secretary and Chief Compliance Officer.
- Senior Management Personnel, comprising officers one level below the Chief Executive Officer, including functional heads and the core management team.
- Any other person at the discretion of the Nomination and Remuneration Committee (NRC).

### 4. Succession Plan for the Board of Directors

The responsibility for ensuring timely replacement for positions on the Board lies with the Nomination and Remuneration Committee (NRC).

- **Evaluation and Due Diligence:** The NRC shall proactively review succession requirements and apply a due diligence process to determine the suitability of candidates based on educational qualifications, relevant experience, track record, and integrity.
- **Regulatory Compliance:** Every candidate must meet the "fit and proper" criteria as stipulated by the RBI and other relevant regulatory bodies. Candidates must not be disqualified under any provision of applicable laws, including Section 164(1) of the Companies Act, 2013.
- **Age Limitations:** The appointment of Executive Directors shall generally not exceed the age of seventy (70) years.
- **Diversity and Skills:** To ensure adequate diversity, the NRC will consider candidates with varied skills, regional and industry experience, and expertise in areas such as banking operations, audit, risk management, and regulatory compliance.

### 5. Succession Plan for KMPs and Senior Management

The NRC, in consultation with management, oversees the succession pipeline for the executive team.

- **Periodic Review:** Based on inputs received from the Human Resources Function and management, the NRC shall periodically review probable vacancies that may arise due to retirement, transfer, business expansion, or incapacity.
- **Internal Talent Pool:** The company will make concerted efforts to fill vacancies through internal promotion or elevation. The CEO, alongside Human Resources, shall identify high-potential employees for faster career progression and formulate skill development processes.
- **External Search:** If suitable internal candidates are not available, external candidates will be considered. Timely and planned steps shall be taken to select candidates well before an incumbent's retirement to ensure a smooth transition. The NRC may utilize the services of professional search firms to assist in evaluating potential external candidates.

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### **6. Emergency Succession and Interim Arrangements**

In the event of an unexpected vacancy or sudden absence of a member of the core management team, the next person in the organizational hierarchy shall take interim charge of the position, subject to NRC approval, pending a regular appointment under the succession plan.

### **7. Confidentiality**

All personnel responsible for the execution of this Policy shall maintain strict confidentiality regarding discussions and decisions about prospective candidates. Information may only be shared with the concerned candidate if required to prepare them for elevation.

### **8. Review and Amendments**

- The NRC will review this Policy from time to time as and when necessary.
- The Board of Directors holds the power to amend or replace this Policy based on recommendations from the NRC.
- In the event that any regulatory clarifications or circulars issued by relevant authorities are inconsistent with this document, those regulatory amendments shall prevail, and the Policy will stand amended accordingly.