

SUCCESSION POLICY FOR THE BOARD & SENIOR MANAGEMENT

1. BACKGROUND:

Succession planning is a process of ascertaining the need for filling positions at the Board, senior management and other key positions. It involves identification for the said roles, assessment of their potential and developing next generation of leaders as potential successors for key leadership roles in an organization. The process of development primarily concentrates on coaching, mentoring and training the identified employees to assume higher responsibilities when the need arises. The Company has always endeavoured to nurture, train and increase the skill sets of employees at all levels, with the key objective of ensuring smooth succession without impeding the performance in current roles and responsibilities.

The Company recognises that Succession Planning is a continuous process rather than a onetime event and hence, intends to put in place this Policy that aligns talent management with the said objective and endeavours to mitigate the critical risks such as Vacancy, Readiness and Transition risk.

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company is required to oversee the succession planning and shall satisfy themselves that plans are in place for orderly succession for appointments to the Board and to the Senior Management.

The Nomination & Remuneration [the 'Committee'] shall be responsible for implementing this Policy and its related procedures.

2. OBJECTIVE:

-Succession planning is required to ensure continuity and smooth functioning of the Company and to ensure that investors / stakeholders do not suffer due to sudden or unplanned gaps in leadership.

-To identify and create a talent pool of high potential personnel, who can be considered for appointment at the Board and Senior Management positions and to groom them to assume such roles in the Company, whenever the need arises.

-To ensure timely and high-quality replacements for those personnel who are currently holding positions at Board and Senior Management levels.

3. DEFINITIONS:

i. "Nomination and Remuneration Committee" (NRC) or "Committee" means the Committee of the Board constituted/re-constituted, from time to time, under the provisions of Regulation 19 of the LODR Regulations, and Section 178 of the Companies Act, 2013, as amended.

ii. "Board of Directors" or "Board" means the board of directors of the Company as constituted/re-constituted, from time to time.

iii. "Company" means Flower Trading & Investment Co. Limited

iv. “Companies Act” means the Companies Act, 2013 and the rules framed there under, each as amended.

v. “Policy” means this succession policy.

vi. “KMP” or “Key Managerial Personnel” means: a) the chief executive officer or the managing director or the manager in their absence, a whole-time director;; b) the company secretary; c) the chief financial officer; and d) such other officer as may be prescribed under the Companies Act.

vii. “LODR Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

viii. “Senior Management” means personnel of the Company who are members of its core management team, excluding the directors on the Board. This shall include all members of management one level below the executive directors, including all functional heads.

ix. “Stock Exchange(s)” means The Calcutta Stock Exchange Ltd.

4. Implementation process:

A. Positions at the Directors level:

- The responsibility of ensuring timely replacement for positions of any Director, lies with the NRC of Directors of the Company.
- For vacancies in the Board, the NRC in consultation with the Chairman and the Managing Director, shall recommend the name(s) of the candidate(s) (whether internal or external) who have the requisite qualifications and attributes for being considered for such position(s).
- The NRC shall undertake a process of due diligence to determine the suitability of the person for appointment / re-appointment / continuation as a Director on the Board, based upon qualification, expertise, track record, integrity and other ‘fit and proper’ criteria.
- In the event of any unexpected vacancy in the Board, NRC shall meet and appoint from a select pool of persons to take charge of the said position either on an interim basis or on permanent basis.

B. Positions at the Senior Management and other critical positions:

- The Company follow a robust Talent review process annually to assess the organization’s talent pool and draft plan for succession of critical positions across organization. In this process, the talent pool is reviewed and assessed in defined parameters of knowledge, capability to lead, performance & potential. The successor of critical positions is identified and mapped in a timeline framework (if the successor is ready to take the identified role immediately, in 0 -3 yrs., in 3-5 yrs.). The development action plans for the successors are identified and actioned upon over the year.
- It is also extremely important to have a contingent plan in place to deal with sudden exits at the said Senior Management level. The Human Resource Department of the Company on an ongoing basis identifies a select pool of employees who can be groomed to occupy senior level positions in case of any such eventuality and train them adequately.

5. CONFIDENTIALITY

All persons responsible for execution of the Succession Planning Policy shall ensure confidentiality of the discussions and decisions with regard to the prospective candidate, except that the information may be shared, if required, with the concerned candidate in order to prepare him for such elevation.

6. REVIEW AND MONITORING

The Board shall review and monitor the implementation of this Policy on an annual basis to ensure its effectiveness and for ensuing effective succession planning.

7. AMENDMENTS TO THE POLICY

The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board reserves the right to amend this Policy from time to time based on changing requirements as prescribed by the SEBI/Stock Exchange(s) or any other appropriate statutory authority.

8. DISCLOSURE OF THE POLICY

This Policy shall be disclosed in the annual report of the Company and posted on the website of the Company, if required under the Companies Act, 2013 and rules thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and any other regulatory requirements.