

PMEA SOLAR TECH SOLUTIONS LIMITED

BOARD SUCCESSION POLICY

BACKGROUND AND SIGNIFICANCE

Succession planning for the Board of Directors is a strategic process that ensures the continuity, stability, and effectiveness of the board's leadership and governance. This planning is crucial for sustaining the organization's long-term success and resilience in the face of change. The following rationale outlines the key reasons for implementing a robust succession plan for a Board of Directors.

1. Ensuring Leadership Continuity

Succession planning is essential to guarantee that there is a pipeline of qualified and prepared candidates ready to step into leadership roles as needed. This continuity is vital for:

- Maintaining Stability: Smooth transitions prevent disruptions in the board's operations and governance, ensuring that strategic initiatives and oversight functions are not interrupted.
- Preserving Institutional Knowledge: Identifying and developing future board leaders helps retain valuable experience and institutional knowledge within the organization.

2. Enhancing Board Effectiveness

A well-planned succession strategy supports the board's effectiveness by:

- Aligning Skills and Needs: Ensuring that new board members possess the skills and expertise necessary to address current and future challenges and opportunities.
- Fostering Diversity: Promoting diversity and inclusion by considering a broad range of candidates, which can lead to more innovative and effective governance.

3. Mitigating Risks

Proactive succession planning helps mitigate various risks:

- Unexpected Vacancies: Rapid changes, such as the sudden departure of a board member or leader, can be managed more effectively with a prepared succession plan.
- Reputational Risk: Smooth transitions reduce the risk of negative perceptions or instability in the organization's leadership, which can impact stakeholder confidence and support.

4. Supporting Strategic Goals

Succession planning aligns with and supports the organization's strategic goals by:

- Ensuring Alignment with Vision: Future board members and leaders are selected with the organization's long-term vision and strategic priorities in mind, ensuring that leadership supports and advances these goals.

- Facilitating Strategic Continuity: By preparing future leaders who are well-versed in the organization's strategic direction, the board can more effectively execute and evolve its strategic plans.

Pursuant to the provisions of Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("LODR Regulations"), The Securities and Exchange Board of India has mandated the need for a succession policy 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 Listing Regulations.

Pursuant to the LODR Regulations, PMEA Solar Tech Solutions 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.

Key positions in the Company, which are important for the Company's current and future growth, are assigned to qualified and competent professionals. Succession planning is crucial to the growth and sustainability of any business and a tool for an organization to ensure its continued effective performance through leadership and management continuity through timely fulfilment of key vacancies.

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 July 1st 2024.

OBJECTIVES:

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

- To identify and nominate suitable candidates for the Board's approval to fill vacancies which may arise in the Board from time to time.
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- 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
- 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, separations and other occurrences.

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.

SUCCESSION PLAN FOR THE BOARD AND SENIOR MANAGEMENT

The Nomination and Remuneration Committee of the Board (the "NRC") shall periodically review the leadership and management needs of the Company. 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.

The NRC would assess the emerging business and leadership requirements of the Company and at its discretion, recommend to the Board, appointment of suitable candidate(s) in key senior management positions 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 a strong leadership pipeline by enriching work exposure to in-house talent.

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
