VELAN HOTELS LIMITED

POLICY FOR ORDERLY SUCCESSION FOR APPOINTMENTS TO THE BOARD AND SENIOR MANAGEMENT

I. BACKGROUND

The Securities and Exchange Board of India (SEBI) has mandated the need for a succession policy pursuant to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This is one of the most significant attempts to ensure that investors do not suffer due to sudden or unplanned gaps in leadership. It is a mandate for boards of all listed companies to develop an action plan for successful transition of key executives. Pursuant to the Listing Regulations, Velan Hotels Limited ("the Company") is required to put in place a plan for orderly succession for appointment to the board of directors and senior management.

Whereas under Section 178 of the Companies Act, 2013 ("Companies Act"), the Company is required to constitute a Nomination and Remuneration Committee and development of a succession plan for the Board and senior management is an object of the Nomination and Remuneration Committee.

Accordingly, this succession plan ("Succession Plan") for the appointment of the Directors on the Board and Key Managerial Personnel has been prepared to give effect to the provisions of the Listing Regulations.

II. OBJECTIVE:

The objectives of the succession planning programme shall, inter-alia, include the following:

1. To identify and nominate suitable candidates for the Board's (including Nomination and Remuneration Committee) approval to fill the vacancies which arises in the Board from time to time.

2. To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.

3. To identify the key job incumbents in Senior Managerial positions and recommend whether the concerned individual (i) be granted an extension in term/service or (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s) as per the service rules of the Company.

4. To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrences.

III. APPLICABILITY:

The Policy shall be applicable for succession planning of the following personnel:

1. Managing Director and Executive Director and other Board of Directors;
2. Key Managerial Personnel :- i) Chief Financial Officer ii) Company Secretary
3. Any other positions within the Company at the discretion of the Managing Director in consultation with the Board.

IV. SUCCESSION PLAN:

The Nomination Committee of the Board shall review the leadership needs of the Company from time to time

V. SUCCESSION PLAN FOR THE BOARD AND THE SENIOR MANAGEMENT:

1. Board Level Appointment:

The Nomination and Remuneration Committee of the Company shall identify the suitable person from among the existing top management or from outside to fill up the vacancy at the Board level. The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 and Listing Regulations, as amended from time to time.

2. Senior Management level Appointment:

The Nomination Committee upon the recommendations of the HR Department shall 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/up-gradation of various Department(s) the Company. Considering the above, the Committee shall assess the availability of suitable candidates for the company's future growth and development. Further, based on the recommendation of the Managing Director & Head – Human Resources, the Nomination and Remuneration Committee:

(a) shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board, if necessary as per service rules of the company whether the concerned individual
   (i) be granted an extension in term/service or
   (ii) be replaced with an identified internal or external candidates.

(b) shall identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

(c) may recommend to the Board, if necessary to appoint other suitable external candidate(s) as special recruitment in senior managerial level based on job roles and competency in order to provide a continuous flow of talented people to meet the organizational needs.

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.

The Nomination and Remuneration Committee and the head of the human resources department of the Company shall, from time to time identify high-potential employees who merit faster career progression to position 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 senior personnel such as chief financial officer, company secretary etc. to be made in compliance with all applicable provisions of the Companies Act, Listing Regulations, and such other laws as may be applicable to such appointment.

VI. REVIEW AND MONITORING

The Nomination and Remuneration Committee shall review and monitor from time to time the implementation of this Policy to ensure its effectiveness and may also recommend changes, if any, to the Board for ensuing effective succession planning.

The policy is approved by the Board of Directors of the Company at their meeting held on 09/08/2025.