UV Asset Reconstruction Company Limited
(UVARCL)

POLICY ON SUCCESSION PLANNING FOR BOARD AND SENIOR MANAGEMENT

** Approved by the Board of Directors in its meeting held on July 18, 2026.*

POLICY ON SUCCESSION PLANNING FOR BOARD AND SENIOR MANAGEMENT

1. Introduction:

Succession planning is an essential component to the survival and growth of any business as it ensures continuity of business process and also provides a way to identify key roles, people with the right skills and positions that may need filling when the need arises.

The Company recognizes the importance of Succession planning and accordingly, in terms of aforesaid provisions have formulated the Succession Planning Policy (the "**Policy**").

2. Objective:

The objective of this Policy is to ensure continuity of business process and also provide a way to identify key roles, people with the right skills and positions that may need filling when the need arises.

The objective of this policy shall include:
- To ensure the systematic alignment between succession planning and business continuity to mitigate risks due to retirement, exit, death or disability or any unforeseen circumstances.
- To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of Directors from time to time.
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned learning and development initiatives.

3. Key Elements:

- Build a strong, effective and sustainable leadership pipeline.
- Preparing for the unexpected or in some cases, preparing for what is expected.
- Proactively prepare a smooth transition plan to ensure that the changes do not interrupt business.
- Preserving institutional knowledge and continuity.

3.1 Events which can cause vacancy in the office of a director:

There are several foreseeable and unforeseeable factors due to which the office of directors may become vacant, few of which are briefly stated below. The reasons are not exhaustive though.

- Completion of the term of the Director.
- Resignation by a Director before expiry of his/her term.
- Untimely death of a Director causing casual vacancy.
- Director is removed from his/her position by the Board of Directors.

In case if casual vacancy arises on the Board, the members of the Nomination and Remuneration Committee (the "**NRC**") shall adopt the following approach.

4. Succession Planning

4.1 Succession Planning of Chairman of the Board

In the event of a vacancy arising in the position of the Chairman of the Board, the Company shall appoint the Chairman from amongst the existing members of the Board, considering the individual's experience, leadership capabilities, governance expertise, and suitability for the role. The appointment shall be placed before the Board for consideration and approval at the immediately succeeding Board meeting to ensure continuity of leadership, effective oversight, and uninterrupted functioning of the Board.

The Company shall ensure that such appointment is made in accordance with the applicable provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India from time to time.

4.2 Succession planning for the Board:

The Nomination & Remuneration Committee of the Board, shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re- appointed as a Director of the Bank based on his/ her educational qualification, experience & track record, 'fit and proper' criteria and subject to the eligibility criteria as prescribed under the Companies Act 2013, and the guidelines issued by the Reserve Bank of India from time to time.

The Nomination and Remuneration Committee ("NRC") shall recommend suitable candidates to the Board for its consideration and approval well in advance of any anticipated vacancy, in order to facilitate a smooth and seamless transition. The NRC shall adopt a proactive approach towards succession planning for both anticipated and unanticipated vacancies by maintaining a ready pool of qualified candidates, ensuring timely onboarding and effective knowledge transfer, and minimizing any disruption to the functioning of the Board.

Further, the Company shall ensure that the Board is adequately constituted at all times, such that any unanticipated vacancy does not disrupt the required composition of the Board, in compliance with the provisions of the Companies Act, 2013 read with the guidelines issued by the Reserve Bank of India. The NRC shall also ensure that an appropriate balance of independent and non-independent directors is maintained in line with applicable regulatory requirements and governance best practices.

4..3 Succession Planning for the Key Managerial Personnel /Senior Management:

The Nomination and Remuneration Committee shall review any vacancy in the position of Key Managerial Personnel or Senior Management which may arise on account of retirement, resignation, death, removal, transfer, business expansion.

4.3.1 Implementation Process:

The Whole-Time Director along with the Head- HR:

a. shall periodically review and consider the list of Senior Management / Key Managerial Personnel due for retirement / vacancies arising out of attrition during the year.

b. shall also consider the new vacancies that may arise due to the business needs/restructuring of functions/departments.

c. In case any Senior Management/ Key Managerial Personnel is due for retirement, will review the possibility of an extension of such personnel on basis of the health, age and the person's willingness to continue for an extended term. In case, if an extension is possible, such case is forwarded to the NRC of the Board for its approval.

d. In case such a position is to be filled through internally or externally, will evaluate the suitable candidates for the said positions internally as well as externally on basis of the criteria such as job role, experience, leadership qualities, competencies, track record etc.

e. shall from time to time identify high potential employees who merit faster career progression to positions of higher responsibility and give them adequate skill development and training requirements for their successful career progression.

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 and hierarchy 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 Key Managerial Personnel shall be made in compliance with all applicable provisions of the Companies Act, 2013 (including the rules made there under), and RBI Guidelines.

5. Confidentiality

All people responsible for execution of the succession 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. Amendment/Review:

The Board shall review the policy annually or may amend this Policy, in whole or in part, from time to time, as and when required.

In case any amendments, clarifications, circulars and guidelines issued by the regulatory body(ies)/authority(ies) and such amendments, clarifications, circulars and guidelines are not consistent with the requirements specified under this Policy, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail and accordingly this Policy shall stand amended effective from the date as laid down under such amendments, clarifications, circulars and guidelines.