

MENTORSHIP AND SUCCESSION PLANNING POLICY-
For senior Management

**POLICY-
STATEMENT**

Muthoottu Mini Financiers Limited believes that a structured approach to succession planning should be adopted to ensure an internal supply of competent employees who can take up key positions when necessary.

**POLICY-
OBJECTIVE**

The objective of the policy is to ensure continuity in key positions by developing employees with potential for the future through deliberate and systematic effort.

DEFINITIONS

Succession Planning: Any process designed to ensure the continued effective performance of the company by making provision for the development of specific employees to take up key positions.

Key Positions: Positions related to the core business of Muthoottu Mini Financiers Limited or positions in a support service area that makes a major impact on the success of the company. These positions are critical to the key business processes of the company.

Talent Pool: A database of identified employees with specific competences who may be considered to fill key positions.

PROCEDURE:

1. ROLES

- Department Heads are responsible to initiate and implement succession planning in their departments.
- The HR Department will be involved in the succession planning process and be given the opportunity to discuss the proposals with the respective heads of department.
- The HR Department will provide advice and assistance during the process of succession planning.
- The HR Department will discuss the departmental proposals on succession planning and the progress made on it once a year.

2. ELIGIBILITY

- Current Criticality—The impact a position has on the current strategy of the organization. These may consist of business results, internal and external customers, and the characteristics of the position in terms of time-to-fill, skills required, and adaptability towards changing circumstances.
- Future Criticality—The expected impact a position will have on future strategy of the organization. These may consist of business results, internal and external customers, and the characteristics of the position in terms of time-to-fill, skills required, and adaptability towards changing circumstances.

Indicative parameters for identification-

- Positions with direct or indirect influence on P&L
- Positions with critical business impact
- Positions with responsibility of managing and heading large teams

3. TIME FRAME

- Department Heads/ Regional Managers and Regional Heads will complete the succession planning for key positions in their departments and submit them for discussion with HR Head .
- The HR Head in consultation with the Chief operating Officer and Managing Director will be responsible for succession planning with regards to the position of Department Heads/ Regional Managers and Regional Heads
- A report on succession planning during the year, will be made to the Board at the end of the Financial Year.

4. INTEGRATION WITH OTHER HUMAN RESOURCES FUNCTIONS

In order to play an integral part in the total human resources strategy, succession planning needs to be aligned with the following policies and programs:

- Policy on recruitment
- Policy on performance management
- Human resources development policy

5. THE SUCCESSION PLANNING PROCESS

Succession planning process consists of the following six steps:

Step 1: Identify key positions

- Department Heads/ Regional Managers and Regional Heads are responsible for identifying key positions, with the assistance of HR Department.
- Key positions can be identified by considering positions playing a key role in the functioning of the department. All senior positions are not necessarily key positions.

Step 2: Identify competencies for key positions

- Department Heads/ Regional Managers and Regional Heads are responsible for identifying competencies for key positions, with the assistance of the HR Department.
- HR Department in consultation with the COO / Managing Director are to draw-up or revise performance plans for key positions.
- HR Department is to draw-up or revise current career paths for the job families of which the identified key positions form part. These career paths should cover the main areas of responsibilities and the necessary task requirements (knowledge, skills and personal attributes).

Step 3: Identify and assess employees for inclusion in the talent pool

- The HR Department together with Department Heads/ Regional Managers and Regional Heads will assess candidates identified for succession planning by applying a battery of assessment instruments.

Step 4: Discuss succession plans with Executives

- HR Head will discuss the information on the selected key positions, its requirements and the selected candidate successors with the COO

Step 5: Train and develop identified candidates in talent pool

- Department Heads/ Regional Managers and Regional Heads in consultation with the HR Department and Learning and Development (L&D) will compile individual training and development plans in accordance with the human resources development policy and manage the talent pool.

Step 6: Identify a suitable candidate when a key position becomes available

- The recruitment and selection of employees to be considered for placement in key positions will be processed in accordance with the policy on recruitment.
- The COO / Managing Director may approve the appointment of earmarked candidates.
- Executive Committee Meeting/Board (if the level of the candidate requires it) will confirm or approve the appointment.
