Haleos Labs Limited

(Formerly known as "SMS Lifesciences India Limited")

Policy on succession planning

INTRODUCTION

SEBI has mandated the need for a Succession Planning Policy pursuant to regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. 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. Hence, Haleos Labs Limited (**"Company"**) has put in place a plan for orderly succession for appointment to the Board of Directors and Senior Management Personnel ("**Policy**").

The primary objective of this Policy is to ensure the availability of capable individuals to assume leadership roles in a time of need. The benefit of Succession Planning is to reduce the risk associated with the loss of experienced leadership. Succession Planning ensures that business continues to run smoothly after the business' most important people move on to new opportunities, retire or pass away, accordingly, the Company has formulated this Succession Plan for the appointment of the Directors on the Board and Senior Management Personnel to give effect to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

This Policy shall be available at the website of the Company at haleoslabs.com/policies

APPLICABILITY

This Policy shall be applicable to

- All members of the Board of Directors of the Company and
- Senior Management Personnel which shall mean the members of its core management team excluding Board of Directors. This would comprise all members of management one level below the Executive Director and shall include the Company Secretary and Chief Financial Officer.

DEFINITIONS

In this Policy, unless the context otherwise requires:

- "**Board**" shall mean Board of Directors of the Company.
- "**Directors**" means all members of the Board of Directors of the Company.
- **"Nomination and Remuneration Committee"** or "**NRC**" shall mean Nomination and Remuneration Committee of the Company.
- **"Key Managerial Personnel"** shall mean key managerial personnel of the Company as defined in Section 2 (51) of the Companies Act, 2013.
- "**Senior Management Personnel**" or "**SMP**" means personnel of the Company who are members of its core management team excluding Board of Directors. This would comprise all members of management one level below the executive Director and shall include the Company secretary and chief financial officer.
- **"Succession Plan"** means Succession Plan formulated by the Company.

OBJECTIVES

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

- 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 development and learning initiatives.
- To identify the key job incumbents in Senior Managerial 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).
- To ensure the systematic and long-term development of individuals in the senior management level to replace the individuals when the need arises due to deaths, disabilities, retirements and other unexpected occurrence

SUCCESSION PLANNING FOR DIRECTORS AND SMPs

Nomination and Remuneration Committee of the Company shall oversee and review succession plan from time to time and recommend the same to the Board.

Succession Plan for the Board

Nomination and Remuneration Committee shall proactively review the succession requirements for the Board and carry out the 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 Company based on his educational qualification, relevant experience, track record, reputation etc.

The proposed candidate shall be evaluated by the Nomination and Remuneration Committee to determine the eligibility and proper criteria as per the Companies Act 2013, and if any, and thereafter such candidate shall be recommended to the Board for its consideration and approval.

Succession Plan for Senior Management Personnel and Key Managerial Personnel

Based on the inputs received from the Human Resource Department, the Nomination and Remuneration Committee shall periodically review any vacancy / probable vacancy in the position of Senior Management Personnel which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

For Key Managerial Personnel, the Nomination and Remuneration Committee shall in consultation with the Board evaluate the suitability of any person based on factors viz., educational qualification, experience, age, health, leadership qualities, suitability to external market requirement / expectation etc., and recommend his/ her candidature to the Board well before such vacancy arises to facilitate smooth transition.

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

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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

POLICY REVIEW

The Board may review this policy on periodical basis, considering various external and internal factors. However, in case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions in this Policy.

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This policy was reviewed and approved in the Board meeting held on 9th August, 2024

(Only the name of the Company has been updated pursuant to name change of the Company)