



For CHOLAMANDALAM MS GENERAL INSURANCE CO. LTD.

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Managing Director

**Cholamandalam MS General Insurance Company Limited
Criteria for Appointment of Senior Management
June 2024**

**Approving Authority: Board of Directors
Version 2024.0**

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1. Preamble:

The Nomination and Remuneration Committee (NRC) of the Board is responsible for identifying persons who are qualified to be appointed in senior management. The following criteria laid down by the NRC of Cholamandalam MS General Insurance Company Limited in terms of section 178(2) of the Companies Act, 2013 and IRDAI (Corporate Governance of Insurers) Regulations, 2024, are to be considered for induction of a person into the senior management positions.

2. Definitions:

The following terms for the purpose of this policy shall carry the meaning

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|----------------------------------|---|
| 2.1 "Authority"
or
"IRDAI" | Authority or IRDAI shall mean the Insurance Regulatory and Development Authority of India established under sub-section 1 of Section 3 of the IRDA Act 1999; |
| 2.2 "Board" | Board shall mean the Board of Directors of Cholamandalam MS General Insurance Company Limited. |
| 2.3 "Company" | Company shall mean Cholamandalam MS General Insurance Company Limited. |
| 2.4 "Criteria" | Criteria shall mean this Criteria for Appointment of Senior Management. |
| 2.5 "Group" | Group shall have the same meaning as defined under Regulation 1(4), Part I of Schedule III of IRDAI (Actuarial, Finance and Investment) Regulations, 2024. |
| 2.6 'NRC' | NRC shall mean the Nomination and Remuneration Committee constituted under operation of section 178(3) of the Companies Act, 2013, IRDAI (Corporate Governance for Insurers) Regulations, 2024, and IRDAI Master Circular on Corporate Governance for Insurers, 2024. |
| 2.7 "Senior
Management" | Senior management shall mean personnel of the Company who are members of its core management team excluding the Board of Directors, comprising all members of management one level below the executive directors, including functional heads. |

3. Personal Traits:

- 3.1 Highest personal and professional ethics and integrity;
- 3.2 Share and demonstrate the values embodied in the guiding principles of the Murugappa Group and the Company - "Five Lights" - Integrity, Passion, Quality, Respect and Responsibility;

3.3 Meet the age criteria set by the Company.

4. Competencies:

- 4.1 Possess specialist knowledge and business acumen relative to the position for which he or she is being considered;
- 4.2 Good leadership skills;
- 4.3 Be innovative;
- 4.4 Demonstrate intelligence, maturity and wisdom;
- 4.5 Exercise sound judgement gained through experience and expertise in management/ technical/ financial/ corporate matters in the best interest of the Company as a whole;
- 4.6 Ability to see and prepare for future, anticipate needs, opportunities and threats.
- 4.7 Possess managerial abilities such as effective communication skills, action focus, people engagement, cultural sensitivity, flexibility, team player, strategic thinking, creating a shared vision, etc.
- 4.8 Exhibit personal effectiveness;
- 4.9 Ability to influence and drive decisions in the interest of the Company;
- 4.10 Respect customer centricity;
- 4.11 Good interpersonal relationship;
- 4.12 An effective team player.

5. Experience and Background:

Highly accomplished and experienced in their respective field of engineering/ finance/ marketing/ corporate affairs/ technology/ law/ HRM, etc., with superior credentials and recognition.

6. Fit:

- 6.1 Should act on fully informed basis, in good faith, with due diligence and care and in the best interest of the Company and its stakeholders;
- 6.2 Should be able to exercise objective independent judgment on corporate affairs;
- 6.3 Willingness to undertake appropriate induction and regularly update and refresh his/ her skills, knowledge and familiarity with the Company;
- 6.4 Commitment to representing the long-term interests of the shareholders and balancing the interests of stakeholders;
- 6.5 Adhere to the code of conduct of the Company;
- 6.6 Protecting the legitimate interests of the Company, its shareholders and employees and maintain confidentiality;
- 6.7 Absence of commitments and other fixed outside obligations;

- 6.8 Absence of personal and business relationships that would pose a conflict of interest to the position.

7. Retirement:

Senior Management Person shall be liable for retirement upon reaching the age of superannuation, as stated in the employment contract. Any extension of service beyond the age of 60 years shall be subject to approval of the Board.

8. Succession Planning

Succession planning for the Senior Management Personnels is essential to ensure that successor to every Senior Management responsibility is recruited and developed within the Company. Effective corporate succession planning increases the availability of capable individuals who are prepared to assume such roles as they become available. The benefit of succession planning is to reduce the risk associated with loss of experienced leadership. Succession planning ensures that business of the Company continues smoothly, even after the most important people viz. Directors, Key Managerial Personnel ('KMP'), and Senior Management Personnel ('SMP') of the Company move on to new opportunities, retire or pass away.

The following shall guide the succession planning principles of the Company:

8.1 Major Principles and Objectives of the Policy on Succession Planning:

- 8.1.1 To ensure that the Company is prepared with a plan to support operations and service continuity when Key Management Personnel or senior business leaders vacate their positions.
- 8.1.2 To ensure an adequate supply of suitably qualified and motivated employees for higher roles and responsibilities.
- 8.1.3 To ensure systematic and long-term development of individuals in the KMP and SMP level to replace when the need arises due to the death, disability, retirement or any other unexpected occurrence

8.2 Succession planning for appointment to the Board of Directors and SMP and KMP

The NRC shall consider the candidature of the Directors and then recommend to the Board for necessary approvals. In case of KMP and the SMP, such appointments shall be taken up wherever is needed or required under the prevailing prescriptions of law.

The NRC and/or the Board shall act according to the provisions laid down here subject to necessary regulatory approvals before such appointments or re-appointments, wherever such pre-approvals are required under the prevailing prescriptions of law.

8.3 Succession Planning Procedure:

- 8.3.1 The Managing Director/CEO along with the Head- HR of the Company shall:

- a. periodically review and consider the list of SMP / KMP due for retirement / vacancies arising out of attrition during the year.
 - b. consider the new vacancies that may arise due to the business needs/restructuring of functions/departments.
 - c. will review the possibility of an extension, in case of an SMP / KMP is due for retirement, with due consideration to the persons age health, age and the person's willingness to continue for an extended term. In case, an extension is considered feasible, such case shall be presented to the NRC for its approval.
 - d. In the event such position is required to be filled through internally or externally, will evaluate the suitable candidates for the positions internally as well as externally on basis of the criteria such as job role, experience, leadership qualities, competencies, track record etc.
 - e. from time to time identify high potential employees who merit faster career progression to position of higher responsibility and give them adequate skill development and training requirements for their successful career progression.
- 8.3.2 In the event of any unexpected occurrence in respect of any SMP / KMP, the next person as per the organization chart (as far as possible) shall take interim charge of the position, pending the formal appointment in terms of the succession plan.
- 8.3.3 Once the identification process is finalized by the Managing Director/ CEO and the Head-HR, the shortlisted candidates shall further be referred to the NRC for final evaluation.
- 8.3.4 The recommendation of the NRC shall be placed before the Board for approval.
- 8.3.5 In addition to the above, the appointment of senior personnel such as the Appointed Actuary, Company Secretary and other compliance professional like the Chief Risk Officer/Chief Compliance Officer etc. shall be made in compliance with all applicable and prevailing prescriptions of law.

9. Review of the Policy:

The NRC and the Board shall review the Policy:

- a. at least once every financial year, or
- b. as and when any Board Committee and/ or Board considers it appropriate, or
- c. as and when the underlying laws governing the Policy undergoes any change.

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