



KEY PERSON RISK POLICY

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Key Person Risk Policy

People are the main resource of competencies and capability of an organization that leads to profitability. Supra Pacific Financial Services Ltd, being in the Non-Banking Finance service sector depends upon the key competencies of its personnel to forge relationship with the clients and use their knowledge to derive profit and value to all stakeholders. Creating an ecosystem where the talent can prosper and get rewarded has always been an objective of the NBFC. Through dynamic HR practices, it has been the endeavor of the NBFC to attract and retain high performing talent and give them autonomy of function in their roles. However, the organization understands that there will be situations both voluntary or involuntary that may lead to the departure from the NBFC of officials. Control over overall attrition is a key responsibility of the Management and the Senior Team executes, on an ongoing basis, various actions to mitigate the risk of overall attrition. Attrition of critical talent, within the context of overall attrition, is a key risk for the NBFC. Loss of critical talent is defined as Key Person risk. Loss of a key person at a critical juncture will lead to sudden vacuum of leadership in the respective vertical, loss of valued relationship with clients, loss of expertise and knowledge that will put the NBFC at a risky position and may result in decrease of productivity and profitability.

Roles identified as Key Person

1. MD & CEO
2. General Manager Operations
3. Chief Compliance Officer
4. Chief Finance Officer
5. Company Secretary
6. Head – Business
7. Head -IT
8. Head -HR

Coverage

We have formulated a Key Person Risk policy that stipulates the practices that will be adopted to mitigate the people risk faced by the company in case of sudden loss of a key talent with the following features.

- Framework to arrest the attrition of Key Risk People and create a continuity plan in the eventuality of a loss of a critical talent.
- The identification of Key Persons is an ongoing activity and the list of such key persons would be refreshed on an ongoing/annual basis
- Key Person Risk policy stipulates the practices that will be adopted to mitigate the people risk faced by the NBFC in case of sudden loss of a key talent due to voluntary and involuntary reasons.
- Succession planning process to identify key roles and create a talent pool to tide over any talent crisis.
- Measures to be taken to reduce the risk of attrition of key persons are defined.
- Process to ensure smooth transition in the event of attrition of key persons.
- Development plan for talent pool of Key Successors.

Practices to be followed to mitigate the Key Person Risk:

1. Notice Period for leaving the organisation: Personnel occupying the identified key roles shall give sufficient advance notice, the period which shall not be in any case less than 3 months.
2. Extension of the Notice period due to eventualities occurring at the beginning, in between and at the end of the notice period: If any routine or unplanned eventualities are occurring at the beginning, during or at the end of the notice period, the company can direct the concerned personnel holding identified key responsibilities to continue to remain in office till successful completion of the eventuality. The eventualities will include quarterly closing, annual closing, pendency of auditing of accounts, Annual General Meeting, Extra Ordinary General Meeting, Issue of securities to raise capital and other funds and any eventualities identified by the management as critical for the company from time to time.
3. Joining of successors shall be planned in such a way so that sufficient time will be available for hand holding of the next in person.
4. Handing over of the backup of the soft copies of files and correspondences handled by the key personnel shall be arranged to ensure smooth running of the services and continuity of operation of the company without any hitches.
5. Succession planning shall be done by the management to ensure filling of vacancies happening on account of normal and anticipated laying down of offices by key personnel.

6. Travel norms: Senior team members coming under the group of key personnel, while travelling for a common purpose or function shall avoid using the same flight / cab / train / bus service etc, as far as possible to avoid facing a causality where in a group of key personnel are getting involved together.

The Key Person Risk Policy will create a framework to arrest the attrition of talent and create a continuity plan in the eventuality of a loss of a critical talent, thereby ensuring that the profitability and growth of the institution is not affected by loss of critical talent.

Review: Policy will be reviewed every year or such shorter period as required.

