POLICY ON SUCCESSION PLANNING

Preamble

The Securities and Exchange Board of India ("**SEBI**") revised the Code of Corporate Governance for listed companies significantly to bring it in line with the Companies Act, 2013 ("**Act**"). As per Regulation 17(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), the board of directors of the listed entity shall satisfy itself that plans are in place for orderly succession for appointment to the board of directors and senior management. This is a significant attempt 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.

Perpetual succession is one of the facets of a corporate entity wherein the resources may come and go but the company will survive forever. This envisages that staff will not work with an organization indefinitely and this necessitates the formation and existence of orderly succession planning in an organization. Devising and strategizing proactive succession planning methodologies therefore, forms one of the important functions of the human resource department for smooth transition with little disruption to the organization. Succession planning is a necessary tool for an organization to ensure its continued effective performance through leadership continuity.

S. D. International Limited ("**Company**") in order to avoid any leadership gap in the Board and Senior Management has therefore devised a Policy on Succession Planning for the Board and Senior Management (hereinafter called the "**Policy**").

Objectives and Purpose

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

a) 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.

b) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.

c) 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).

d) 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.

Applicability

The Policy shall be applicable for succession planning of the following personnel:

a) Chairman
b) Board of Directors
c) Whole-time Directors including Managing Director
d) Chief Financial Officer
e) Company Secretary & Compliance Officer
f) Chief Operating Officer

g) Executives in the cadre Vice-President and above
h) Any other positions within the Company at the discretion of the Chairman and Managing Director in consultation with the Board of Directors

Definitions

a) "**Board of Directors**" or "**Board**" means the Board of Directors of the Company in terms of Regulation 2(d) of SEBI Listing Regulations as constituted from time to time.

b) "**Key Managerial Personnel**" shall mean key managerial personnel (KMPs) as defined under Section 2(51) of the Act read with Regulation 2(1)(o) of the SEBI Listing Regulations

c) "**Nomination and Remuneration Committee**" means the committee of the Board constituted under the Regulation 19 of SEBI Listing Regulations read with section 178 of the Act with an objective to develop a succession plan of the Board and Senior Management of the Company.

d) "**Policy**" means this Policy on Succession Planning for the Board and Senior Management including amendments, if any made from time to time.

e) **"Senior Management Personnel"** or **"SMP(s)"** shall mean the officers and personnel of the issuer who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer ("**CEO**"), Managing Director, Whole-Time Director, or Manager (including the CEO and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

Review and approval of the policy

The policy will be reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors as and when required. In case of non-adherence to the policy, the same shall be reported to the Nomination and Remuneration Committee and necessary action may be taken in this regard.

Succession Plan for the Board and Senior Management

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

i) <u>Succession Plan for the Board</u>

The 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. Any appointment or re-appointment of a director shall be subject to prior approval/recommendation by Nomination and Remuneration Committee of the Company.

For Key Managerial Personnel, the Nomination and Remuneration Committee shall in consultation with the Senior Management and the Chairman of 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 a smooth transition. It shall be made in compliance with all applicable provisions of the Act (including the rules made there under) and SEBI Listing Regulations.

The Nomination and Remuneration Committee shall devise criteria for performance evaluation of independent directors and the Board and to ensure adequate diversity in the Board to make good use of the varied skills, regional and industry experience, background, gender and other qualities of the directors.

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

ii) Succession Plan for Senior Management 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.

The 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.

Every member of the Senior Management shall always endeavour to add capability inhouse and mentor officials with potential working under him to handle his responsibility in his absence by exposing them to all aspects of work being handled by him.

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 can be considered for interim charge of the position, pending a regular appointment in terms of the succession plan.

The Nomination and Remuneration Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

Emergency Succession

In case of any unexpected occurrence (e.g., death, disability, or sudden resignation), the Nomination and Remuneration Committee shall ensure that an interim successor is appointed immediately to prevent disruption to the Company's operations. Such appointments will be formalized by the Board after due process.

General

Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/regulations either existing or arising out of any amendment to such laws/regulations or otherwise and applicable to the Company, from time to time.

Interpretation

In case of any conflict or subsequent changes in the provisions of the applicable law, the applicable law would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

Amendments

This policy will be reviewed periodically by the Board/ Committee as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors in cases of material changes to the Policy.

Disclosure

This Policy will be disclosed on the Company's website at https://sdpack.in/.

Version History:

Version	Approved By	Approval Date	Effective Date
1st Version	Board of Directors	20/08/2026	20/08/2026