



### SUCCESSION PLANNING POLICY

#### BACKGROUND

Under Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "LODR Regulations"), the board of directors of a listed entity is required to satisfy itself that plans are in place for orderly succession for appointment to the board of directors and senior management.

In this context, the following policy has been framed by the Board of Directors ("**Board**") of **SAMRAT PHARMACHEM LIMITED ("SAMRAT"/ "Company")** at its meeting held on 16.03.2023.

The Nomination & Remuneration [the 'Committee'] shall be responsible for implementing this Policy and its related procedures.

#### 1. INTRODUCTION:

This policy is intended to address **SAMRAT PHARMACHEM LIMITED ("SAMRAT" or "the Company")**. Succession planning is a process designed to ensure that the "**SAMRAT**" identifies and develops a talent pool of employees through monitoring, training and job rotation to replace key business leaders within the Company as those key business leaders leave their positions.

#### 2. OBJECTIVES:

- To ensure the ("**SAMRAT"/ "Company")** is prepared with a plan to support operation and service continuity when the Senior management or Key Managing Personnel or Directors leave their positions;
- To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities;
- To develop career paths for employees which will facilitate the Company's ability to recruit and retain top-performing or high talent employees;
- To ensure a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.
- To deliver a message to the Company's employees that they are valuable; and
- To develop reliable assessment procedures and ensure that these procedures are applied systematically across the Company.



# Samrat Pharmachem Limited

**Manufacturers & Exporters of Pharmaceutical Chemicals**

### **3. DEFINITIONS**

- i. "Nomination and Remuneration Committee" or "Committee" means the Committee of the Board constituted/re-constituted, from time to time, under the provisions of Regulation 19 of the LODR Regulations, and Section 178 of the Companies Act, 2013, as amended.
- ii. "Board of Directors" or "Board" means the board of directors of the Company as constituted/re-constituted, from time to time.
- iii. "Company" means **SAMRAT PHARMACHEM LIMITED**.
- iv. "Companies Act" means the Companies Act, 2013 and the rules framed there under, each as amended.
- v. "Policy" means this succession policy.
- vi. "KMP" or "Key Managerial Personnel" means:
  - a) the chief executive officer or the managing director or the manager in their absence, a whole-time director;
  - b) the company secretary;
  - c) the chief financial officer; and
  - d) such other officer as may be prescribed under the Companies Act.
- vii. "LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- viii. "Senior Management" means personnel of the Company who are members of its core management team, excluding the directors on the Board. This shall include all members of management one level below the executive directors, including all functional heads.
- ix. "Stock Exchange(s)" means BSE Limited and National Stock Exchange of India Limited.

### **4. ROLES AND RESPONSIBILITIES:**

- Board have pivotal roles to play in succession planning; 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, Key Managing Personnel and Senior Management.
- The Board is responsible for succession planning for the Directors, Senior Management and Key Managing Personnel. The Board should hire or internally promote the new personnel, when the existing Directors, Senior management and Key Managing Personnel leaves, and ensure the new personnel has the required skills to implement the Group's mission and vision;
- The Board should have prepared themselves with an interim solution when Directors, Senior management and Key Managing Personnel leaves; and
- The Board is responsible for ensuring a succession plan is in place for other key positions in the different units of the Company with the assistance from the senior management team and implicated employees.



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## **5. DEVELOPMENT AND SUCCESSION PLANNING PROCESS**

A primary responsibility of the Board is planning for Directors, Senior management and Key Managing Personnel succession and overseeing the identification and development of executive talent.

- The Board, with the assistance of the Nomination Committee and working with the MD and Human Resources department, oversees executive officer development and corporate succession plans for the Directors, Senior management and Key Managing Personnel and other executive officers to provide for continuity in senior management.
- The succession plan covers identification of internal candidates, development plans for internal candidates, and appropriate identification of external candidates.
- The Board annually reviews the succession plan, if required. The criteria used to assess potential candidates are formulated based on the Company's business strategies, and include strategic vision, leadership, and operational execution.
- The Board maintains an emergency succession contingency plan should an unforeseen event such as death or disability occurs that prevents the Directors, Senior management and Key Managing Personnel from continuing to serve. The plan identifies the individuals who would act in an emergency and their responsibilities. The contingency plan is reviewed by the Board annually and revised as appropriate.
- The Board may review development and succession planning more frequently as it deems necessary.

## **6. KEY SUCCESS FACTORS**

- Key factors which needs to be checked while doing succession planning: To develop a chart which can include the board members, their length of service, expiration of their current term, as well as committee and officer positions held. This will help give a clear picture of upcoming vacancies which will need to be filled.
- The Board, the MD and senior management support for the succession planning process. This will give all employees an understanding and emphasis on the importance of succession planning to the Company;
- The Board should work with the nomination and Remuneration committee as it plays primary responsibility for identifying suitable candidates for these positions and ensuring that they obtain the training and experience on the board necessary to prepare them for the role.
- Adequate time should be provided to the selected employees for development and mentoring; and
- Review and update the succession plan regularly to ensure the Company has reassessed the hiring needs and determine whether the development progress of the selected candidates.



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## 7. PERIODIC REVIEW

Each year, as part of the Board and Committee performance evaluation process, the Nomination Committee reviews the size and composition of the Board, whether any changes are required, performance and contribution of individual Directors and the impact of expected changes to the Board. Succession planning and future requirements in respect of the Board structure are part of this annual process. If changes are required the Board will seek to select from a diverse (not limited by gender, age or ethnicity) range of suitably competent candidates.

**THIS POLICY SHALL BE REVIEWED PERIODICALLY BY THE BOARD. THIS POLICY IS DATED 16<sup>TH</sup> MARCH, 2023**