



# **Pasupati Acrylon Limited**

## **Policy on Succession Planning for the Board and Senior Management**

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## **Policy on Succession Planning for the Board and Senior Management**

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### **I. Introduction**

Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'SEBI Listing Regulations') provides that, 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 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.

Succession planning is an essential component to the efficient operation and growth of any business. Succession planning is a tool for an organization to ensure its continued effective performance through leadership continuity. A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with talents.

**Pasupati Acrylon Limited (the “Company”)** recognises the importance of the process to succession planning to provide for continuity in the smooth functioning of the Company. There are certain positions in the Company that are key to its current and future growth. It is, therefore, important that these positions are assigned to duly skilled and best possible incumbents. It is critical to fill any vacancy(ies) in such position(s) well in time to avoid any leadership gap. The Company has therefore put in place a Policy on Succession Planning for the Board and Senior Management (the “Policy”).

### **II. Objectives**

The objective of the succession planning program shall, inter-alia, include the following:

- a. To identify and nominate suitable candidates for the approval of the Board of Directors of the Company (“Board”) to fill any vacancy(ies) which may arise in the Board, from time to time;
- b. To identify the competency requirements of critical and key positions in the Company, assess potential candidates and develop required competency through planned development and learning initiatives;
- c. To identify the key job incumbents in Senior Management and recommend whether the concerned individual: (a) be granted an extension in term/ service; or (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s) as per the policy of the Company; and
- d. To ensure the systematic and long-term development of individuals in the Senior Management level and to replace when the need arises due to resignations, death, disabilities, retirements, and other unexpected occurrence.

### **III. Applicability of the Policy**

The Policy shall be applicable for succession planning of the members of the Board, Senior Management, and any other positions within the Company at the discretion of the managing director in consultation with the Board.

Words and expressions used in this Policy shall have the same meanings respectively assigned to them in (i) The Companies Act, 2013 or the Rules framed thereunder; (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **IV. Succession plan for the Board and Senior Management**

The Nomination and Remuneration Committee of the Board (the “**Committee**”) shall review the leadership needs of the Company, from time to time.

#### **a. Succession plan for the Board:**

The Committee shall determine the suitability of every person who is being considered for appointment or re-appointment as a director based on his/ her educational qualification, experience, track record and contribution to the Board, as applicable, and every such person shall meet the ‘fit and proper’ criteria as may be stipulated by the Committee , from time to time, and accordingly any appointment or re-appointment of a director shall be subject to prior approval / recommendation by the Committee.

The Company has also framed a Nomination and Remuneration Policy for Directors and other Senior Management to guide the Board in relation to the appointment/ re-appointment/ removal of the directors to make good use of the varied skills, regional and industry experience, background and other qualities of the directors. Accordingly, the appointment/ re-appointment/ removal and tenure of Directors shall be governed by the provisions of the Nomination and Remuneration Policy for Directors and Senior Management.

#### **b. Succession plan for the Senior Management:**

Managing Director and Human Resource department (“HR”) of the Company shall, from time to time identify high-potential employees who merit faster career progression to positions of higher responsibility and formulate, administer, monitor and review the process of skill development and identify the training requirements.

The HR department of the Company shall periodically review and consider the list of Senior Management due for retirement/ attrition within the year. HR shall also consider the new vacancies that may arise because of business needs/ up-gradation of department(s)/ regional office(s). Considering the above, HR shall assess the availability, internally and / or externally as the case may be, of suitable candidates for the Company’s future growth and development.

Further, based on the recommendation of the Managing Director, the HR:

- a. shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc., and recommend whether the concerned individual (i) be granted an extension in term/ service; or (ii) be replaced with an identified internal or external candidate;
- b. shall identify the competency requirements of the key positions, assess potential candidates, and develop required competency through planned development and learning initiatives. HR may utilise the services of professional search firms to assist in identifying and evaluating potential candidates;
- c. may recommend to appoint other suitable external candidate(s) as special recruitment in Senior Management based on the profiles and competency in order to provide a continuous flow of talented people to meet the organisational needs;
- d. the prevailing promotion/ transfer policy or related policy of the Company shall be designed in such a way that the existing/ proposed Senior Management shall get all- round exposure in various domains to facilitate career progression, prepare them for administrative responsibilities and to discharge their functions effectively in senior positions;
- e. every member of the Senior Management shall always endeavour to add capability in- house and mentor officials with potential working under him/ her to handle his responsibility in his/ her absence by exposing him/ her to all aspects of work being handled by him/ her; and
- f. 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 (as far as practicable) 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 senior personnel such as Chief Financial Officer, Company Secretary and other compliance professionals shall be in compliance with all applicable provisions of the Companies Act, 2013, SEBI Listing Regulations, and such other laws as applicable to such appointment.

#### **V. Amendments**

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 and this Policy shall stand amended accordingly.

#### **VI. Review of Policy**

The Board shall review this Policy periodically and if required, will make suitable changes in this Policy keeping in view any regulatory changes or changes in the business environment.

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