

**SHIVA PHARMACHEM LIMITED**

**SUCCESSION PLAN OF DIRECTORS**

**AND SENIOR MANAGEMENT**

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**SHIVA PHARMACHEM LIMITED**

**Succession Plan for the Board of Directors and  
Senior Management**

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**[Pursuant to Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sec.178 of the Companies Act, 2013]**

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The Securities market regulator- Securities and Exchange Board of India (SEBI) wide its notification issued on 2nd September, 2015 has repealed the clauses under Listing Agreement entered into by the Companies with the Stock Exchange(s) and has put in place Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to come into force from the 90th day from the date of publication in the Official Gazette (i.e. from 1st December, 2015).

Whereas under Section 178 of the Companies Act, 2013 (“Companies Act”), the Company is required to constitute a Nomination and Remuneration Committee and development of a succession plan for the Board and senior management is an object of the Nomination and Remuneration Committee.

The Succession Planning of the Company “SHIVA PHARMACHEM LIMITED” (hereinafter referred to as “SPL”) is an important component often addressed as part of strategic planning. It is critical to the success of the organization and should provide for a process that recognizes, develops and retains top leadership talent. Boards often create a succession plan outlining the process for retaining, developing, and/or appointing the Board of Directors and Senior Management personnel of organization.

### **1. Scope**

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Succession Planning includes creating an objective in strategic and development plan for each key position in the Company and developing internal process to develop and retain the best people

### **2. Applicability:**

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

1. Whole-time Directors and other Directors of the Board;
2. Senior Management including Key Management Personnel
3. Any other position within the Company at the discretion of the Managing Director in consultation with the Board.

**3. Objective:**

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The Succession planning is an essential component to the survival and growth of any business. Succession planning is a tool for an organization to ensure its continued effective performance through leadership continuity. The objective of this policy is to ensure the orderly identification and selection of new directors or senior management in the event of any vacancy, whether such vacancy exists by reason of an anticipated retirement, an unanticipated departure, the expansion of the size of the Company or otherwise.

**4. Interpretation:**

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The words and expressions used and not defined in this policy but defined in the Companies Act, 2013 or rules made there under or the Securities and Exchange Board of India Act, 2015 or regulation made there under shall have the same meanings respectively assigned to them in those acts, rules and regulations.

**5. Succession Plan**

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**(a) Succession Plan for the Board**

The Nomination & Remuneration Committee (NRC) shall identify suitable person from among the existing Top Management or from outside to fill up the vacancy at the Board Level. The NRC shall apply a due diligence process to determine suitability of the person who is being considered for appointment or reappointment as Director of the Company based on his/her educational qualification, experience and track record.

The Board framed a Nomination & Remuneration Policy in relation to appointment/reappointment of Directors & Senior Management in accordance with the provisions of Companies Act, 2013 and Listing Regulations. Hence, the appointment / reappointment of Directors shall be governed by the provisions of the Nomination & Remuneration Policy of the Company.

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#### **(b) Succession Plan for the Senior Management:**

- i. The NRC shall periodically review and consider the list of Senior Management personnel due for retirement within the year. The NRC shall also consider the new vacancies that may arise because of expansion of business and up-gradation of department(s).
- ii. For the above purpose, the NRC shall consider all relevant criterias like experience, qualification, age and leadership quality and recommend the appointment of incumbent to the Management.
- iii. The NRC may consider appointing other suitable external candidates at senior management level based on job roles and competency, in order to provide a continuous flow of talented people to meet the organizational needs.
- iv. Where it is decided to appoint an external candidate, timely and planned steps shall be taken for selection of a suitable candidate so that the appointment is made well before the retirement /relieving of the concerned officer to ensure smooth transition.
- v. Authorized officer (appointed/designated by the Board) shall from time to time identify employees with high potential who merit faster career progression to the position of higher responsibility and formulate, administer, monitor and review the process of skill development and identify the training requirements.
- vi. In case of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart of the Company shall take interim charge of the position, pending regular appointment in terms of the succession plan.
- vii. The appointment of Key Managerial Personnel such as Chief Financial Officer (CFO), Company Secretary (CS) and other Compliance Professionals like Internal Auditor (if employee) shall be made in the accordance with the provisions of the Companies Act, 2013 read with the Listing Regulations.

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6. Review of the Policy:

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The Nomination Committee of the Board shall review the leadership needs of the Company from time to time. 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 amendments(s), clarification(s), circular(s) etc. shall prevail upon the provisions of this policy and the policy shall stand amended accordingly.

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

7. Dissemination of the Policy

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The approved Policy shall be uploaded under a separate section on the website of the Company.

*Effective Date: 03/04/2023*