

## SUCCESSION PLANNING POLICY FOR THE BOARD & SENIOR MANAGEMENT

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CIN: U20299PN2024PLC227198

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## AQUAPHARM CHEMICAL LIMITED

### SUCCESSION PLANNING POLICY FOR THE BOARD & SENIOR MANAGEMENT

#### 1. BACKGROUND

The Securities and Exchange Board of India (SEBI) has mandated the need for a succession planning policy ('this Policy') pursuant to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). This is one of the most significant attempts to ensure that investors do not suffer due to sudden or unplanned gaps in leadership. Succession planning is a process of ascertaining the need to fill positions at the Board, Senior Management and other Key positions. It involves identification for the said roles, assessment of their potential and developing next generation of leaders as potential successors for key leadership roles in an organization. The process of development primarily concentrates on coaching, mentoring and training the identified employees to assume higher responsibilities when the need arises. The Company has always endeavored to nurture, train and increase the skill sets of employees at all levels, with the key objective of ensuring smooth succession without impeding performance in current roles and responsibilities.

The Company recognizes that Succession Planning is a continuous process rather than a onetime event and hence intends to put in place this Policy that aligns talent management with the said objective and endeavors to mitigate the critical risks such as Vacancy, Readiness and Transition risk.

In terms of the SEBI Listing Regulations, the Board of Directors of the Company is required to oversee the succession planning and shall satisfy themselves that plans are in place for orderly succession for appointments to the Board and to Senior Management.

In view of the same, the Board of Directors of AQUAPHARM CHEMICAL LIMITED (the "Company") has adopted this Policy.

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

#### 2. OBJECTIVE

- Succession planning is required to ensure continuity and smooth functioning of the Company and to ensure that investors / stakeholders do not suffer due to sudden or unplanned gaps in leadership.
- To identify and create a talent pool of high potential personnel, who can be considered for appointment at the Board and Senior Management positions and to groom them to assume such roles in the Company, whenever the need arises.
- To ensure timely and high-quality replacements for those personnel who are currently holding positions at Board and Senior Management levels.
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements,

and other unexpected occurrences.

### 3. DEFINITIONS

“Nomination and Remuneration Committee” (NRC) or “Committee” means the Committee of the Board constituted/re-constituted, from time to time, under the provisions of Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as amended (“the Act”).

“Board of Directors” or “Board” means the Board of Directors of the Company as constituted/re-constituted, from time to time.

“Company” means AQUAPHARM CHEMICAL LIMITED

“Companies Act” means the Companies Act, 2013 and the rules framed there under, each as amended.

“Policy” means this succession policy.

“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.

“LODR Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

“Senior Management” means the officers and personnel of the Company who are members of its core management team, excluding the Directors on the Board. This shall include all members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer 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.

“Stock Exchange(s)” means BSE Limited and National Stock Exchange of India Limited.

### 4. SCOPE

This Policy applies to the Board of Directors and the Senior Management Personnel of the Company as well as its subsidiaries, joint ventures, affiliates etc.

### 5. IMPLEMENTATION PROCESS

#### A. Positions at the Directors level:

- The responsibility of ensuring timely replacement for positions of Director lies with the NRC of the Board of Directors of the Company.
- For vacancies in the Board, the NRC in consultation with the Chairman and the Managing Director, shall recommend the name(s) of the candidate(s) (whether

internal or external) who have the requisite qualifications and attributes for being considered for such position(s).

- The NRC shall undertake a process of due diligence to determine the suitability of the person for appointment / re-appointment / continuation as a Director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.
- In the event of any unexpected vacancy in the Board, NRC shall meet and appoint from a selected pool of people to take charge of the said position either on an interim basis or on a permanent basis.

B. Positions at Senior Management and other critical positions:

The Company follow a robust Talent review process annually (December) to assess the organization's talent pool and draft plan for succession of critical positions across organization. In this process, the talent pool is reviewed and assessed in defined parameters of knowledge, capability to lead, performance & potential. The successor of critical positions is identified and mapped in a timeline framework (if the successor is ready to take the identified role immediately, in 0-3 yrs, in 3-5 yrs). The development action plans for the successors are identified and actioned upon over the year.

It is also extremely important to have a contingent plan in place to deal with sudden exits at the said Senior Management level. The Human Resource Department of the Company on an ongoing basis identifies a select pool of employees who can be groomed to occupy senior level positions in case of any such eventuality and train them adequately.

6. CONFIDENTIALITY

All people responsible for execution of the Succession Planning Policy shall ensure confidentiality of the discussions and decisions with regard to the prospective candidate, except that the information may be shared, if required, with the concerned candidate in order to prepare him for such elevation.

7. REVIEW AND MONITORING

The Board in consultation with the NRC Committee shall review and monitor the implementation of this Policy on an annual basis to ensure its effectiveness and for ensuring effective succession planning.

8. AMENDMENTS TO THE POLICY

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail. This Policy will be reviewed by the Committee as and when deemed necessary. The Board in consultation with the Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Company Secretary, being the Compliance Officer, is also authorized to make an amendment in this Policy, where there are any statutory changes necessitating the amendment in the Policy. The Board, in consultation with the Committee, may also establish

further rules and procedures from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

9. DISCLOSURE OF THE POLICY

This Policy shall be made available on the website of the Company. The necessary disclosures about the policy and other details should be made as per the requirements of the SEBI Listing Regulations and the Act.

10. CUSTODIAN: Company Secretary and Compliance Officer

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