



GLAND PHARMA LIMITED

Policy on succession plan for appointment of Directors and Senior Management

Background

The Securities and Exchange Board of India (SEBI) has mandated the need for a succession policy pursuant to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**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.

It is a mandate for boards of all listed companies to develop an action plan for successful transition of key executives. Pursuant to the Listing Regulations, Gland Pharma Limited (“**Company**”) is required to put in place a plan for orderly succession for appointment to the Board of Directors and senior management.

As per 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. Accordingly, this succession plan (“**Succession Plan**”) for the appointment of the Directors on the Board, Key Managerial Personnel and senior management personnel has been prepared to give effect to the provisions of the Listing Regulations.

Objective:

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

- To identify and nominate suitable candidates for the Board’s (including Nomination and Remuneration Committee/Compensation Committee) approval to fill the vacancies which arises in the Board of Directors from time to time in accordance with applicable law;
- To ensure that the Company is prepared with a suitable plan to support operation and service continuity when there is a vacancy on the Board, and in the positions of KMPs, senior management personnel or key business personnel;
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives;
- 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) as per the service rules of the Company;





- 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

Applicability

The policy shall be applicable to the following personnel:

1. Managing Director / CEO and other Board members
2. Key Managerial Personnel and Senior Managerial Personnel positions viz., General Manager and above, Chief Financial Officer, Company Secretary
3. Any other position within the Company at the discretion of the Managing Director & CEO in consultation with the Board

Succession Plan for Board of Directors

The Nomination and Remuneration Committee of the Board shall review the leadership needs of the Company and apply due diligence to determine the suitability of every person who is being considered for appointment or reappointment for the required position subject to the prior approval of the Nomination and Remuneration Committee of the Board.

The Nomination and Remuneration Committee of the Board considers the candidature of the Directors as per the Companies Act and Listing Regulations and then recommends to the Board for necessary approvals of the SEBI. Accordingly, the appointments, reappointments, removal, tenure of the Directors, Managing directors, Chairman, Whole-time Directors shall be governed by the Nomination and Remuneration Policy of the Company.

Succession Plan for Senior Management Personnel and Key Managerial Personnel:

As per the provisions of Section 203 of the Companies Act, the Company shall have the following whole time Key Managerial Personnel:

- i. Managing Director or Chief Executive Officer or Manager and in their absence the Whole-time Director
- ii. Company Secretary
- iii. Chief Financial Officer

In case of Key Managerial Personnel and the Senior Management Personnel such appointments shall be taken up wherever is needed as per its terms of references for advising the management.

The Human Resource Department (“**HR department**”) shall periodically review and consider the list of senior managerial personnel due for retirement/ attrition, new vacancies that may arise



due to up-gradation / business needs in the Company during the year. The HR Department shall assess the availability of suitable candidates for the future growth of the Company.

The Nomination and Remuneration Committee upon the recommendations of the HR Department shall periodically review and consider the list of senior managerial personnel due for retirement/attrition within the year. The Committee shall also consider the new vacancies that may arise because of business needs/up-gradation of department(s).

Considering the above, the Committee shall assess the availability of suitable candidates for the company's future growth and development. Further, based on the recommendation of the Managing Director & CEO and Head – Human Resources, the Nomination and Remuneration Committee:

- shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality, etc. and recommend to the Board, if necessary, as per service rules of the Company whether the concerned individual
 - (i) be granted an extension in term/service or
 - (ii) be replaced with an identified internal or external candidate(s).
- shall 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.
- may recommend to the Board, if necessary, to appoint other suitable external candidate(s) as special recruitment in senior managerial level based on job roles and competency in order to provide a continuous flow of talented people to meet the organizational needs.
- Where it is required 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 the smooth transition.

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.

Review of Policy

This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations or as may be otherwise prescribed by the Board from time to time. The Board has the power to replace this Policy entirely with a new Policy.





Confidentiality:

All persons 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.

for GLAND PHARMA LIMITED

A handwritten signature in blue ink, appearing to read 'S. Srinivas'.

SRINIVAS SADU
MANAGING DIRECTOR & CEO