

## **POLICY ON SUCCESSION OF THE BOARD**

### **Introduction:**

Aether Industries Limited (referred to as 'Company') is mainly engaged in business of manufacturing basic cum specialty chemicals along with research and development activities.

Company values integrity, commitment, standards and ethics and also believes that such principles and standards govern the behavior of the Company and its' employees. High moral and ethics are always essential for long term achievements and vision of the Company.

### **Preamble:**

In accordance with the provisions of Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as 'Listing Regulations'), the Board of every listed company shall satisfy itself that plans are in place for orderly succession for appointments to the Board of Director.

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, the succession plan for the appointment of the Directors on the Board has been prepared to give effect to the provisions of the Listing Regulations.

The objectives of the succession plan are to identify and nominate suitable candidates for the Board's (including the Nomination and Remuneration Committee) approval to fill the vacancies which arises in the Board from time to time which will be subject to the approval as may be required.

### **Board level approval:**

The Nomination and Remuneration Committee of the Company shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the Board level. The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules made thereunder read with terms of Corporate Governance as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

### **Emergency succession:**

If a Director's position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as early as possible to implement the process described herein.

### **Succession Plan for the Board:**

The Nomination & Remuneration Committee of the Board, shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the Company based on their educational qualification, experience & track record, and every such person shall meet the 'fit and proper' criteria, and accordingly any appointment or re-appointment of a Director shall be subject to prior approval / recommendation by Nomination & Remuneration Committee of the Company.

### **Succession Plan for the Senior Managerial Personnel:**

The Nomination & Remuneration Committee 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) / Regional Office(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, the Nomination & Remuneration Committee:

- 1) shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board whether the concerned individual
    - (i) be granted an extension in term / service or
    - (ii) be replaced with an identified internal or external candidates.
  - 2) shall identify the competency requirements of Board / key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.
  - 3) may recommend to the Board 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.
- The prevailing promotion/transfer policy of Company shall be designed in such a way that the existing/proposed senior managerial personnel shall get allround exposure in various domains to facilitate career progression, prepare them for administrative responsibilities and to discharge their functions effectively in senior positions.

- 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 the smooth transition.
- The recommendation of the Nomination & Remuneration Committee shall be placed to the Board for approval. While making its recommendation, the Nomination & Remuneration Committee shall consult with the Chairman, the Managing Director & CEO, as may be relevant and all factors including the available talent within the organization and the need to ensure continuous working and growth of the Company shall be carefully considered.
- The Managing Director & CEO shall from time to time identify high-potential employees who merit faster career progression to position of higher responsibility and formulate, administer, monitor & review the process of skill development and identify the training requirements.
- Every member of the senior management team shall always endeavor to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.
- 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 Key Managerial Personnel (KMP) to be made in compliance with all applicable provisions of the Companies Act, 2013 (including the rules made there under), Listing Agreement.

#### **Disclosures:**

This programme shall be uploaded on the website of the Company for public information and a web link thereto shall also be provided in the Annual Report of the Company.

#### **Reporting:**

Respective department is responsible for reporting as per applicable regulations. The reporting should be as per the format/ template prescribed in applicable regulation, if available, else as per the format/ template approved by the Committee (as applicable).

#### **Record keeping:**

All documents shall be preserved for a period as specified in the applicable regulations and as per Board approved Archival Policy.

**Review:**

The Program may be reviewed and updated from time to time as when required with the requirement of the law.

**Aether Industries Limited**

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