



# **EMS LIMITED**

**CIN:** L45205DL2010PLC211609

**Regd. Office:** 701, DLF Tower A, Jasola, New Delhi, Delhi, India-110025

**Phone:** 0120-4235555, 4235559

## **Policy for orderly succession for appointments to the Board and Senior Management**

## **1. Introduction**

The Securities and Exchange Board of India (SEBI) revised the Code of Corporate Governance for listed companies significantly to bring it in line with the Companies Act 2013. As per Regulation 17(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”), 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 a significant attempt 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. Perpetual succession is one of the facets of a corporate entity wherein the resources may come and go but the company will survive forever. This envisages that staff will not work with an organization indefinitely and this necessitates the formation and existence of orderly succession planning in an organization. Devising and strategizing proactive Succession Planning methodologies therefore, forms one of the important functions of the Human Resource Department for smooth transition with little disruption to the organization. Succession planning is a necessary tool for an organization to ensure its continued effective performance through leadership continuity.

The Company in order to avoid any leadership gap in the Board and Senior Management has therefore devised a Policy on Succession Planning for the Board and Senior Management (hereinafter called the “Policy”).

## **2. Definitions**

**“Company”** shall mean EMS Limited.

**“Board of Directors”** or **“Board”** means the Board of Directors of the Company in terms of Regulation 2(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) as constituted from time to time.

**“Key Managerial Personnel”** shall mean key managerial personnel (KMPs) as defined in sub- section (51) of Section 2 of the Companies Act, 2013.

**“Listed Entity”** means any entity which has listed its securities on recognized stock exchange(s), in accordance with the listing agreement entered into with the stock exchange(s).

**“Listing Regulations”** shall mean an agreement entered into between the Company and the recognized stock exchange(s) wherein the securities of the Company are listed pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“LODR”).

**“Policy”** means this Policy on Succession Planning for the Board and Senior Management including amendments, if any made from time to time.

**“Senior Management Personnel”** shall mean the persons occupying the position as Key Managerial Personnel in the Company and executives in the cadre above from Vice-President and above.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the LODR regulations or any other applicable law or regulation to the extent applicable to the Company.

### **3. Objectives**

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

- a) To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of Directors 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 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).
- d) To ensure the systematic and long-term development of individuals in the senior management level to replace the individuals when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence.

### **4. Applicability**

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

- a) Board of Directors
- b) Whole-time Directors including Managing Director & CEO
- c) Chief Financial Officer
- d) Company Secretary
- e) Chief Compliance Officer
- f) Executives in the cadre Vice-President and above
- g) Any other positions within the Company at the discretion of the Managing Director & CEO in consultation with the Board of Directors

### **5. Frequency**

As per Regulation 17(2) of the LODR the Board of directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between two meetings and at least once a year, the board shall specifically discuss strategy, budgets, board evaluation, risk management, ESG (environment, sustainability, and governance) and succession planning.

### **6. Review, amendment and approval of the policy**

The policy will be reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors as and when required. In case of non-adherence

to the policy, the same shall be reported to the Nomination and Remuneration Committee and necessary action may be taken in this regard.

Any subsequent amendment/modification in the Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and/or other applicable laws in this regard shall automatically apply to the Policy. 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.

## **7. Succession Plan for the Board and Senior Management**

The Nomination and Remuneration Committee of the Company shall oversee and review succession plan from time to time and recommend the same to the Board.

**i) Succession Plan for the Board:** The Nomination and Remuneration Committee shall proactively review the succession requirements for the Board and carry out the 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 his educational qualification, relevant experience, track record, reputation contribution to the Board, as applicable, and accordingly any appointment or re-appointment of a director shall be subject to prior approval / recommendation by the Committee.

The proposed candidate shall be evaluated by the Nomination and Remuneration Committee to determine the eligibility and proper criteria as per the Companies Act 2013, and if any, and thereafter such candidate shall be recommended to the Board for its consideration and approval. The Company has also framed a Nomination and Remuneration Policy for directors and other Senior Management Personnel and a Policy on Diversity of the Board to guide the Board in relation to the appointment / re-appointment / removal of the directors to ensure adequate diversity in the board to make good use of the varied skills, regional and industry experience, background, gender, 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 Personnel.

**ii) Succession Plan for Senior Management Personnel:** Based on the inputs received from the Human Resource Department, the Nomination and Remuneration Committee 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 by any vacancy / probable vacancy in the position of Senior Management Personnel which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

For Key Managerial Personnel, the Nomination and Remuneration Committee shall in consultation with the Senior Management and the Chairman of the Board evaluate the suitability of any person based on factors viz., educational qualification, experience, age, health, leadership qualities, suitability to external

market requirement/expectation, etc., and recommend his/ her candidature to the Board well before such vacancy arises to facilitate a smooth transition.

The Nomination and Remuneration Committee shall also 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. It may recommend to appoint other suitable external candidate(s) as special recruitment in Senior Management Personnel based on the profiles and competency in order to provide a continuous flow of talented people to meet the organisational needs.

The prevailing promotion / transfer policy or related policy of the Company shall be designed in such a way that the existing / proposed Senior Management Personnel 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.

Every member of the Senior Management Personnel shall always endeavour to add capability inhouse 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. 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 and hierarchy can be considered for 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 shall be made in compliance with all applicable provisions of the Companies Act, 2013 (including the rules made there under) and Listing Regulations.

\*\*\*