



# **United Heat Transfer Limited**

## **POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT**

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### **INTRODUCTION:**

Succession planning is a process of ascertaining the need for filling 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 the 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.

As per regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Board of Directors are required to ensure that plans are in place for orderly succession for appointment to the board senior management of the Company.

Keeping in view the same, the Board of Directors of the Company has drawn this policy for planning of succession of directors and senior managerial persons for uninterrupted business functions at different areas of operations.

### **APPLICABILITY AND OBJECTIVE:**

The Policy focuses mainly on the Succession Planning at the Board and Senior Management level.

The objective of this Policy is:

- a. 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.
- b. 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.
- c. To ensure timely and high quality replacements for those personnel who are currently holding positions at board and senior management levels.

## DEFINITIONS:

- i. **“Board of Directors” or “Board”** means the Board of Directors of **United Heat Transfer Limited** as constituted/re-constituted from time to time.
- ii. **“Company”** means **United Heat Transfer Limited**.
- iii. **“Executive Board”** shall mean and include the Executive Directors/ Whole Time Directors of the Company appointed by the Board/ Shareholders
- iv. **“Nomination and Remuneration Committee” or “NRC” or “the Committee”** means the Committee of the Board constituted/re-constituted under the provisions of regulation 19 of the Listing regulations read with section 178 of the Companies Act, 2013 as in force from time to time.
- v. **“Policy” or “this Policy”** means the Policy on Succession Planning for the Board and Senior Management.
- vi. **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors that includes CEO/CFO/CS/President.

## SUCCESSION PLAN:

### 1. Implementation Process:

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

- The responsibility of ensuring timely replacement for positions of any Director, lies with the NRC of the Company.
- For vacancies in the Executive Board, the NRC in consultation with the Chairman and other Members of the Executive Board, 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).
- For other vacancies in the Board, the NRC shall identify and recommend name(s) of the candidate(s) who has 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, and integrity.
- In the event of any unexpected vacancy in the Executive Board, NRC shall meet and appoint from a select pool of persons to take charge of the said position either on an interim basis or on permanent basis.

***B. Positions at the Senior Management and other critical positions:***

- The Executive Board shall meet, as and when required to review the vacancies, if any, at Senior Management level and other critical positions and based on such requirements, shall formulate and adopt an appropriate action plan.
- Such action plan, at the first instance, shall relate to identifying and short listing an employee within the same location/function or through a lateral transfer of an employee from another location/function. In case of non- availability, the said plan may involve selection of an external candidate having requisite skills, experience, leadership quality and expertise deemed necessary for the said position.
- The Executive Board shall ensure that the external candidate fits into the Company's culture and has the ability to lead by example, work with the team, motivate them, work congenially with the Members of the Senior Management and other staff members and demonstrate the ability to significantly contribute towards achievement of the strategic and business objectives of the Company.
- 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.

**EMERGENCY SUCCESSION:**

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

**REVIEW AND MONITORING:**

The NRC shall review and monitor from time to time the implementation of this Policy to ensure its effectiveness and may also recommend changes, if any, to the Board for ensuing effective succession planning.

**DISCLOSURES:**

The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.

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