

## **FAMILARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

### **BACKGROUND**

The Clause 49(II)(B)(7) of the Listing Agreement with the Stock Exchanges stipulates that:

- a. The Company shall familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.
- b. The details of such familiarisation programmes shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report.

### **OBJECTIVES**

- a. To adopt a structured programme for orientation and training of Independent Directors at the time of their joining so as to enable them to understand the Company, its operations, business, industry, environment in which it functions.
- b. To update the directors on a continuing basis on any significant changes therein so as to be in a position to take well informed and timely decisions.
- c. To provide insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the Company.

### **OVERVIEW OF THE FAMILARISATION PROGRAMME AT TIME OF INDUCTION**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Company conducts an introductory familiarisation program / presentation, when a new Independent Director comes on the Board of the Company.

At the outset, all the independent directors are provided an overview of;

- a. Criteria of independence applicable to Independent Directors as per clause 49 of the Listing Agreement on Corporate Governance and the Companies Act, 2013;
- b. Time allocation by the Independent Directors on financial controls, overseeing systems of risk management, financial management compliance, Corporate Social Responsibility, Stakeholders conflicts, Board effectiveness, strategic direction, Meetings and performance assessment;
- c. Roles, functions, Duties, Responsibilities and liabilities of Independent Directors;
- d. Directors Responsibility Statement forming part of Boards' Report;
- e. Vigil Mechanism including policy formulation, disclosures, code for Independent Directors, Fraud response plan, obtaining Audit Committee approval, wherever required;
- f. Risk Management Systems & framework;
- g. Board Evaluation Process and Procedures;

Independent Directors are provided with necessary documents/brochures, reports, Memorandum of Association and Article of Association and internal policies to enable them to familiarize with the Company's procedures and practices.

Each director of the Company has complete access to any information relating to the Company. Independent Directors have the freedom to interact with the Company's management. They are given all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry segments of which it is a part.

With a view to familiarize him/her with the Company's operations, the Director is also given detailed presentations giving the organisational set up of the Company, the functioning of various divisions / departments, the Company's market share and the markets in which it operates, governance and internal control processes and other relevant information pertaining to the Company's business.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company.

#### **OVEVIEW OF CONTINUAL FAMILARISATION PROGRAMME**

The Company through its Board / Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company. Such programmes /presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, business excellence with areas of improvement and other relevant issue.

Quarterly presentations on operations made to the Board include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc. Quarterly results / press release other reports of the Company are sent to the Directors

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when Business Heads are asked to make presentations about performance of their Business Division to the Board. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time. Further, they meet regularly without the presence of any management personnel and their

meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

#### **DISCLOSURE**

This familiarisation program shall be uploaded on the Company's website for public information and a web link for the same shall also be provided in the Annual Report of the Company