



CAPITALINDIA

Rediscover Business

Familiarisation Programme for Independent Directors

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Familiarisation Programme for Independent Directors

1. Preamble

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) stipulates that the Company shall familiarise the Independent Directors through various programmes about the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities as Independent Directors of the Company, etc., through various programmes. As per the Listing Regulations the details of the familiarisation programme for Independent Directors shall be disseminated on the website of the Company.

2. Purpose and Objective

The programme is formulated with the objective of making the Independent Directors of the Company accustomed to their roles and responsibilities and is divided into various modules with emphasis on:

- Roles, Rights and Responsibilities - Board dynamics & functions;
- Strategy, Operations and functions of the Company;
- nature of the industry in which the Company operates; and
- any other relevant information.

The programme is structured to assist the Independent Directors to understand the Company and its business so as enable him in effective discharge of his duties and has been designed considering the specific needs of contemporary Corporate Governance and the expected obligations of Independent Directors in view of the onerous responsibility conferred by the Companies Act, 2013 and the Listing Regulations as amended from time to time.

The programme also provides the basic 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 affairs of the Company.

3. Overview of the Familiarisation process

- The Company shall through its Executive Directors / Senior Managerial Personnel conduct programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
- The programme enables the participants to understand Company business, strategies, industry dynamics and its growth plans and prepare them for an active role in the Company. It shall empower the participants to understand Board procedures and help them to be effective in board activities. The Programme also aims to offer a conceptual framework based upon current expectations which require the Independent Directors to adhere to a code and standard of ethics and integrity for fulfillment of their responsibilities in a professional and faithful manner to promote confidence of the investment community particularly shareholders, regulatory authorities and the stakeholders at large.
- The programme shall be conducted in such manner as to facilitate and convenience the Independent Directors and enable them to attend the same in view of their busy schedules.
- The Company may circulate news and articles related to the Industry on a regular basis and may provide specific regulatory updates from time to time; and

- The Company may conduct an introductory familiarization programme / presentation, when a new Independent Director comes on the Board of the Company.

4. Initial familiarisation module

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 and is given an overview of the business, operations and business model of the Company. At the outset, all the independent directors are provided an overview of:

- Criteria of independence applicable to Independent Directors as per Listing Regulations and the Companies Act, 2013;
- The financial controls, risk management, financial management compliance, corporate social responsibility, stakeholders conflicts, board effectiveness, strategic direction, meetings and performance assessment;
- Roles, functions, Duties, Responsibilities and liabilities of Independent Directors;
- Directors Responsibility Statement forming part of Boards' Report;
- Vigil Mechanism including policy formulation, disclosures, code for Independent Directors;
- Risk Management Systems & framework; and
- Board Evaluation Process and Procedures;

The Director is also explained in detail the compliances required from him under the Companies Act, 2013, the Listing Regulations and other relevant regulations and his affirmation taken with respect to the same. With a view to familiarize him with the Company's operations, the Management provides an interaction on the organisational set up, 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 fulfil his role as a Director of the Company.

5. Other Familiarisation modules to Update the Directors on a Continuing Basis

The Company shall keep the Independent Directors updated on the business and operations of the Company on a continuous basis. The familiarisation module shall *inter-alia*, include:

- Regular inputs on strategy and business model of the Company, budgeting and planning, performance of various business verticals, statutory reporting including Internal Audit Reports, Secretarial Audit Reports and compliance related certifications and overview of business of subsidiaries on an on-going basis.
- Opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organisation structure, facilities and risk management and such other areas.
- Presentations are made to the Board of Directors, Audit Committee, Risk Management Committee and other Board Committees at their respective meetings, where Directors get an opportunity to interact with Executive Committee members and Business Heads. Presentations may include risk management, corporate social responsibility activities, Company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which the Company operates, business excellence with areas of improvement and other relevant issue.
- Quarterly presentations on operations 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. and quarterly compliances report to make them aware about the applicable compliances on the Company.

- e) 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. Apart from this, they also have interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time;
- f) The Independent Directors 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.
- g) Familiarisation programmes may be conducted on need basis during the term of the directors.

6. Disclosure

This programme 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.