

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

In order to familiarize the Independent Director inducted on the Board of Capillary Technologies India Limited ('the Company') and to facilitate the good corporate governance at Board level, the Company has approved and adopted the policy on 'Familiarization programme of Independent Director' of the Company at its meeting held on September 02, 2022. The Policy shall become effective from the date of its adoption by the Board i.e. September 02, 2022.

Background

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, (the "Act") Capillary Technologies India Limited (the "Company") shall familiarize 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 initiatives. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the details of the Familiarisation programme for Independent Directors shall be disseminated on the website of the Company.

Further, Schedule IV of the Companies Act, 2013 requires Independent Directors to undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.

Definitions

"Board of Directors" or "Board", in relation to the Company, means the Board of Directors of the Company.

"Independent Director(s)" means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

"Policy" means the Familiarization Programme for Independent Directors.



Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and Listing Regulations shall have the meaning respectively assigned to them therein.

Purpose & Objective

Familiarisation programme aims to:

- provide insights of the Company to the Independent Directors of the Company by adoption of a structured programme for orientation of Independent Directors enabling them to familiarize with the Company, its operations, business, industry and environment in which the Company functions and the regulatory environment applicable to it.
- to update the Directors on a regular basis on any significant changes therein and to provide them an insight to their roles and responsibilities so as to be in a position to take well informed, timely decisions and contribute significantly to the Company.

Familiarization Framework

- **Orientation for new director**

A new Director is welcomed to the Board of the Company by sharing an Induction Programme being undertaken. It will provide an opportunity to the inductee to interact with the senior management team and help understand the strategy, operations, products, markets, organization structure, finance, human resources and risk management among others.

Independent Directors will undertake visits to the Company's key Business areas to familiarize them with the Company's operations.

Independent Directors will be guided by the Company Secretary on the role and responsibilities of directors, the constitution and role of the Board and its Committees, the frequency of meetings and time commitment expected from them, decision making process being followed and compliance monitoring and reporting processes.

At the time of appointing an Independent Director, a detailed Appointment Letter



incorporating the role, duties and responsibilities, remuneration and performance evaluation process, insurance cover, Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors accompanied with a “welcome kit” comprising of the following documents:

- Memorandum and Articles of Association of the Company
 - Annual Report of the Company for previous three financial years
 - Criteria of independence applicable to Independent Directors as per the Companies Act, 2013;
 - Code of Conduct of Directors and Insider Trading Regulations;
 - Performance Appraisal & Evaluation process;
 - Disclosures and Business Interests;
 - Term including Remuneration ;
 - Policies inclusive of Vigil Mechanism Policy;
 - Risk Management Systems & Policies.
 - Any other important document.
- **Other initiatives (on regular basis):**

All directors are apprised of any changes in the codes or policies of the Company. The Board of Directors has access to the information within the Company which is necessary to enable them to perform their role and responsibilities diligently.

The Company through its Senior Managerial Personnel makes presentation regularly to the Board, Audit Committee, Nomination and Remuneration Committee or such other Committees, as may be required, covering, inter alia, the business strategies, operations review, quarterly and annual results, budgets, review of Internal Audit Report, statutory compliances, risk management, operations of its subsidiaries, etc.

The Company also updates the Board on latest amendments to SEBI Regulations as applicable to Listed Companies, Companies Act 2013, and Rules and Regulations framed thereof etc. as may be applicable.

Thus, the Company ensures that there is an adequate mechanism to familiarize



Independent Directors with the Company, its subsidiaries, nature of the industry in which the company operates, business model of the Company vis-à-vis their roles, rights, responsibilities and obligations as board members and towards shareholders under Act and Listing Regulations, etc.

Further, Independent Directors meet for a separate meeting of Independent Directors annually without the presence of the Company's Management Personnel to broadly discuss matters pertaining to the Company's affairs, regulatory requirements and put forth their combined views to the Board.

Familiarialisation of Regulatory Framework

The Independent Directors are informed from time to time, of the compliances required from him/her under the Companies Act, 2013, LODR, and other relevant regulations and requisite affirmations are taken with respect to the same.

Disclosure of the policy

The details of familiarisation programmes for Independent Directors including details in relation to (i) number of programmes attended by Independent Directors (during the year and on a cumulative basis till date), (ii) number of hours spent by Independent Directors in such programmes (during the year and on cumulative basis till date), and (iii) other relevant details, will be disseminated on the website of the Company.

This Policy shall be uploaded on the Company's website for public information and a web link where details of familiarization programmes imparted to Independent Directors are disclosed shall be given in the annual report.

Review

This policy will be reviewed and amended by the Board, as and when required.



Amendment

In the event of any conflict between the Act or the SEBI regulations or any other statutory enactments (“**Regulations**”) and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.

