

KOTHARI PETROCHEMICALS LIMITED

Familiarization Programme for Independent Directors (In terms of Regulation 25 (7) of the SEBI (LODR) Regulations, 2015)

1. Preamble:

Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) stipulates that:

The listed entity shall familiarise the Independent Directors through various programmes about the listed entity, including the following:

- a) The Company shall familiarize 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.
- b) The details of such familiarization programmes shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report.

2. Initial familiarization module:

- (a) 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 familiarization 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:

- Criteria of independence applicable to Independent Directors as provided in clause (b) of sub-regulation 1 of regulation 16 of SEBI Listing Regulations, 2015 and the Companies Act, 2013;
- 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;
- Roles, functions, Duties, Responsibilities and liabilities of Independent Directors;

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- Directors Responsibility Statement forming part of Boards' Report; Vigil Mechanism including policy formulation, disclosures, code for Independent Directors.
 - Risk Management Systems & framework;
 - Board Evaluation Process and Procedures;
- (b) The Director is also explained in detail the compliances required from him under the Companies Act 2013 and SEBI Listing Regulations, 2015 and other relevant regulations and his affirmation taken with respect to the same.
- (c) With a view to familiarize him with the Company's operations, the Director is also given detailed presentations giving the organizational 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.
- (d) The Company provides its web link www.kotharipetrochemicals.com. This contains the core information required for the Independent Director in getting familiarised with the company and its operations. The Company also handover its corporate Profile and the Annual Report for the last three years.
- (e) 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.

3. Continual familiarization modules:

- (a) The Company will follow a structured orientation programme for the Independent Directors to understand and get updated on the business and operations of the Company on a continuous basis. The familiarization module shall be designed by the Company on the following lines:

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Functional Area	Responsibility
Overview of Strategy and business model of the Company	MD
Financial Performance, Budgeting and Planning	Functional heads to organize
Overview of performance of various businesses	
Statutory reporting & compliance related certifications etc.	

- (b) On an on-going basis, the Company, through its Managing Director and the Senior Managerial Personnel, make presentations to familiarize the Independent Directors with the strategy, operations and functions of the Company. Such presentations provide an 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, organization structure, facilities and risk management and such other areas. Presentations are made regularly to the Board of Directors / Audit Committee where Directors get an opportunity to interact with Senior Executives and Business Heads.
- (c) 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.
- (d) Further, they meet on annual basis 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 Chairperson of the Company.

4. Disclosure of the Policy:

This Policy 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.

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