

## SML ISUZU LIMITED

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### Independent Directors' Familiarization Programme

Independent Directors of the Company are made aware of their role, rights & responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

The Independent Directors get the opportunity to visit Company's Plant, to enable them to have full understanding of manufacturing operations & processes and the Industry in which it operates.

Presentations are made regularly to the Board / Committees of the Board which, inter alia, cover business strategies & reviews, industry developments, management structure, HR policy, quarterly & annual results, budgets, review of Internal Audit, risk management framework, etc. Independent Directors have the freedom to interact with the Company's Management, whenever required, to understand the business & operations of the Company including financial matters.

During FY 2014-15, one Independent Director joined on Board of the Company and an induction programme was conducted for the new director including visit to the Company's manufacturing plant and meetings with senior management team.

Besides presentation at the Board meetings as stated above, familiarization programmes imparted to independent directors are as under:

| S. No. | Date of the Programme            | Area covered   |
|--------|----------------------------------|--|
| 1      | 6 <sup>th</sup> February, 2015   | Provisions of the Companies Act, 2013 & revised Clause 49 of Listing Agreement including matters such as Code of Conduct for Independent Directors, Role, Responsibilities & Duties of Independent Directors, Internal Financial controls, Vigil Mechanism/Whistle Blower, Board Performance Evaluation, Insider Regulations etc.  |
| 2      | 24 <sup>th</sup> September, 2015 | Company's External and Internal environment covering aspects such as CV Industry developments, Company Strategy & Business model, Risk Management Framework, Legal Compliance Management etc.<br>Provisions of Companies Act, 2013 and Listing Agreement covering, inter-alia roles, responsibilities & duties of Independent Directors.<br>Plant visit for the Directors was also arranged where progress of different projects / activities was shown to them. |

|   |                                 |   |
|---|---------------------------------|---|
| 3 | 5 <sup>th</sup> October, 2016   | Significant challenges faced by Board including imperatives of high performing Boards, such as a conducive boardroom culture, alignment of Board composition to corporate strategy, succession planning and Board evaluation.<br>(Organized by KPMG- Board Leadership Center) |
| 4 | 18 <sup>th</sup> November, 2016 | Trends and changes in the expectations of corporate boards by global institutional investors and Important behavioural and cultural attributes of effective boards and its directors.<br>(Organized by KPMG-India)  |
| 5 | 28 <sup>th</sup> March, 2017    | Digital ecosystem, Digital shifts including its opportunities and threats and role of the Directors in enhancing digital footprint and cyber resiliency of the organization.<br>(Organized by PwC-India)  |
| 6 | 12 <sup>th</sup> October, 2017  | Corporate governance in context of family owned business, Improving corporate governance scenario for listed companies in India, Decoding the Insolvency & Bankruptcy Act, 2016-A Director's perspective.<br>(Organized by KPMG-India)  |

Detail of attendance of the Independent Directors in Familiarization programme is as under:

| S No. | Name of the Independent director | No. of Programmes attended |                      | No. of hours spent in Programmes attended |                      |
|-------|----------------------------------|----------------------------|----------------------|---|----------------------|
|       |                                  | FY 2017-18                 | Cumulative till date | FY 2017-18                                | Cumulative till date |
| 1     | Mr. S.K.Tuteja                   | -                          | 3                    | -   | 8                    |
| 2     | Mr. P.K.Nanda                    | -                          | 2                    | -   | 5                    |
| 3     | Mr. A.K.Thakur                   | -                          | 3                    | -   | 9                    |
| 4     | Mr. Sudhir Nayar                 | -                          | 3                    | -   | 8                    |
| 5     | Dr. (Mrs.) Vasantha Bharucha     | 1                          | 4                    | 4   | 13                   |