

Globe Textiles (India) Limited

POLICY ON FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS, ROLE, RESPONSIBILITY AND RIGHTS OF INDEPENDENT DIRECTORS

1. Introduction

Section 149 of the Companies Act, 2013 requires every listed Company to appoint Independent Directors. Independent Directors constitute such category of Directors who are expected to have impartial and objective judgment for the proper functioning of the Company. Independent Directors play an important role in maintaining a transparent working environment in corporate regime.

2. Process Of Familiarisation with the Company

An important aspect of board effectiveness is the appropriate attention to development and training of non-executive directors on the lines of management development and training. The company sees director induction as a first step of the board's continuing improvement. It is the company's firm belief that investment in board development strengthens the board as well as the individual directors. Directors are regularly updated on changes in policies and programs, laws and the general business environment.

The company ensures that non-executive directors are familiarized with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates and the business model of the company, through various programs and at regular intervals.

At the time of induction and subsequently on a sustained and regular basis, the independent directors are provided an overview of:

- Introduction, company history and genesis.
- Overview of company operations comprising details of the company's service business units and business model, clientele and functional service offerings.
- Key financial highlights
- Details of the group (comprising the subsidiaries, joint ventures and associate companies).
- Board of directors and committees of the board, their operations, charter and functioning
- Key management personnel details
- Highlights of the HR, Quality and Innovation functions
- Corporate governance practices, processes and procedures, including board and committee functioning
- Corporate social responsibility initiatives
- Business responsibility initiatives of the company

In addition, all regulatory and statutory changes that occur are also periodically brought to the notice of the non-executive directors.

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All non-executive directors also get to interact with the senior management of the company. The Executive Chairman, Managing Director & CEO, the heads of the service business units, HR, Quality, Innovation and Finance interact with the non-executive directors.

Besides, they also have a walkthrough of the company's business.

3. Role Of Independent Directors

The role of the Independent Directors is:

- To help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- To bring an objective view in the evaluation of the performance of board and management;
- To scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- To satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- To safeguard the interests of all stakeholders, particularly the minority shareholders;
- To balance the conflicting interest of the stakeholders;
- To determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- To moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

4. Responsibilities of Independent Director

The Responsibilities of an independent Director are as under:

- To undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- To seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- To strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- To participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- To strive to attend the general meetings of the company;
- To where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they

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are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

- To keep themselves well informed about the company and the external environment in which it operates;
- To not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- To pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- To ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- To report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- To act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- To not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

5. Responsibilities of Independent Director

The Responsibilities of an independent Director are as under:

- Right to receive the notice and agenda papers of the Board Meetings and Committee Meetings in which he is member/chairman.
- Right to attend and vote in the Board Meetings and Committee Meetings in which he is a member/chairman.
- Right to be appointed on various committees.
- Right to demand information on every business matter.
- Right to seek clarification/justification.
- Right to dissent.
- Right to meet the CFO/Managing Director/Whole-time Director and financial heads of the Company to seek financial information to give his consent/approval.
- Right to summon CFO/Managing Director/Whole-time Director to the Board Meetings and Committee Meetings in which he is a member to understand on the financial transactions/contract before giving their consent/approval.

6. Review Of This Policy

The Board shall review this Policy, as appropriate, to ensure the effectiveness of this Policy.

7. Review Of This Policy

The Board's composition (including gender, ethnicity, age etc.) will be disclosed in the Annual Report.
