

KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED
POLICY ON FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

1. INTRODUCTION

The Board of Directors of the Krishna Institute of Medical Sciences Limited (“**Company**”) in pursuance of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and other applicable provisions (including any statutory enactments / amendments thereof, adopted the policy on familiarization program for independent directors, role, responsibility and rights of independent directors (“**Policy**”) vide its Board meeting held on 22.02.2017 and amended vide its Board meeting held on 25.05.2021.

2. EFFECTIVE DATE

The Policy shall be effective from the date of listing i.e. 28.06.2021.

3. PROCESS OF FAMILIARISATION WITH THE COMPANY

An important aspect of board of directors of the Company (“**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 programmes, 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 programmes 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.
- Criteria of independence applicable to Independent Directors as per Regulation 17 of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013;
- 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 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
- Risk management systems & framework;
- Vigil mechanism/whistle blower policy including policy formulation, disclosures, code of conduct for independent directors, code of conduct for directors etc.
- Financial controls, financial management, corporate social responsibility, Board effectiveness, meetings and performance assessment;
- Roles, functions, duties, responsibilities and liabilities of independent directors;
- Directors responsibility statement forming part of Boards' report;

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

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 teams interact with the non-executive directors. Besides, they also have a walkthrough of the Company's business.

4. ROLE OF INDEPENDENT DIRECTORS

The role of the independent directors is:

- To help in bringing an independent judgement to bear on Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- To bring an objective view in evaluation of the performance of Board and management.
- To scrutinize 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 the financial controls and the systems of risk management are robust and defensible.
- To safeguard the interest of all the shareholders of the Company.
- To balance the conflicting interest of the shareholders and management.
- To play important role in appointment, removal and determination of appropriate remuneration of executive/whole-time/managing directors, key managerial personnel and senior management personnel.
- To ensure the effectiveness of the Board as the oversight body to oversee what the management does.
- To identify the most critical issues for the Board to deal with.
- To assist the Board in achieving consensus on important issues.
- To play the role of a facilitator outside the board room especially on contentious issues.
- To work with CEO/CFO/Managing Director/Whole-time Director to prioritise issues, set the agenda and enable it to focus on substantive issues.
- To ensure that Board conversations do not veer in the direction of certain unwanted topics/individual preferences.
- To provide candid feedback to CEO/CFO/Managing Director/Whole-time Director.

5. CONTINUAL FAMILIARIZATION MODULES

To understand and remain updated on the business, operations of the Company and changes in the regulatory regime on a regular basis, the independent and non-executive directors at the

Board meetings and relevant committee meetings are provided inter alia with the following:

- Updates on operations, industry position, strategies, competitiveness and financial performance of the Company.
- Updates regarding budgets, working capital management and fund flows.
- Review of internal & statutory audit.
- Updates on significant developments in the Company and business performance of the Company.
- Updates regarding business strategies and policies of the Company on social responsibility, nomination and remuneration criteria, vigil mechanism/whistle blower, risk management etc.
- Safety, health and environment and sustainability issue
- Update on significant amendments in corporate and other laws and its impact on the Company.

The Directors are also encouraged to visit various Company's hospitals. Independent directors have the freedom to interact with Company's management and senior leadership team of the Company.

The Company regularly provides copies of all the recent amendments and changes in the provisions of Companies Act, 2013 SEBI Act, 1992 and others relevant business and regulatory laws, to all the Directors well in time so that they update themselves. Further, the Company Secretary interacts and personally meets with the Directors, as and when necessary to explain the implications of said amendments and changes on Company's affairs.

6. RESPONSIBILITIES OF INDEPENDENT DIRECTORS

The responsibility of the Independent Directors is:

- To undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
- To seek appropriate clarification or amplification of important 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 and committees of the Board of which he is a member/chairman and participate constructively and actively in the committees of the Board.
- To strive to attend the general meetings of the Company.
- Where they have concerns about the running of the Company or proposed action, ensure that those are addressed by the Board/ committees of the Board.
- To pay sufficient attention and ensure adequate deliberations are held before approving the related party transactions and ensure that same are in the interest of the Company.
- To ascertain and ensure that the Company has an adequate functional vigil mechanism and to ensure that the interest of person who uses such mechanism is not prejudicially affected on account of such use.
- To report about unethical behaviour, actual or suspected fraud, violation of Company's code, ethics and policies.
- Not to disclose the confidential information and price sensitive information to any third party and should not use such information for personal benefit.

7. RIGHTS OF INDEPENDENT DIRECTORS

- 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/CEO/Managing Director/Whole-time Director and financial heads of the Company to seek financial information to give his consent/approval.
- Right to summon CFO/CEO/Managing Director/Whole-time Director and financial heads 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.

8. POLICY REVIEW, ETC.

The Board may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this policy and of the applicable law dealing with the related party transactions, such applicable law in force from time to time shall prevail over this Policy.

9. DISCLOSURES

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