

***POLICY FOR FAMILIARISATION  
PROGRAMMES FOR INDEPENDENT  
DIRECTORS***

*To be presented to the Board of Directors for approval on April 19, 2023*

The Companies Act, 2013 (“**Companies Act**”) read with Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), as amended from time to time, places increased responsibilities on Independent Directors of the Company (“**Independent Directors**”). In order to enable the Independent Directors to fulfill their responsibilities efficiently and effectively, a familiarisation programme (“**Familiarisation Programme**”) has been put in place by Five-Star Business Finance Limited (“**Company**”) to assist them to understand details about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

## **OBJECTIVES**

The Company through its Managing Director / executive director / Key Managerial Personnel will conduct Familiarisation Programmes periodically to familiarize the Independent Directors with the strategy, operations, and functions of the Company. Following are the main objectives of the Policy:

- a) To lay down a formal and structured process to familiarise the Independent Directors at the time of their appointment on the Board of Directors of the Company (“**Board**”) so as to enable them to understand the Company - its operations, business, industry and environment in which it functions and the regulatory environment applicable to it.
- b) Further, to update the Directors on a continuous basis on any significant changes that may arise/ occur during the course of their tenure on the Board.
- c) To take all efforts to keep the directors well informed to enable them to make timely advice and decision.

## **INITIAL FAMILIARISATION PROGRAMME**

The Independent Directors have complete access to the information within the Company.

- a) Prior to the induction of a new Independent Director on the Board, the Chairman and/or Managing Director will brief the incoming Independent Director about the Company, its line of business, the composition of the present Board etc.
- b) On the appointment of the new Independent Director, a letter of appointment should be issued detailing the Independent Director’s tenure of appointment, role, rights, duties & responsibilities, remuneration, commitment, insurance cover, performance evaluation process, codes and policies of the Company etc.
- c) The Independent Director will be updated on the Company’s policies on Board effectiveness, Board Diversity Policy, individual Board committee charter, remuneration policy, Independent Directors’ qualification, positive attributes as prescribed under Companies Act, CSR policy, related party transaction policy, code of conduct for prevention of insider trading, and all other corporate governance policies and guidelines in place.
- d) The Independent Director shall be given a brief overview of the Company and that of the industry in which the Company is operating, the financials of the Company, market capitalisation, organisational structure etc. to have an overall understanding of the Company.
- e) At the time when the new Independent Directors will be attending the first Board meeting, meetings with the business unit heads will be arranged to understand the various business units.
- f) Further, new Independent Directors will be provided with a copy of latest annual report, code of conduct and schedule of upcoming Board and committee meetings.

## **UPDATION ON A CONTINUOUS BASIS**

- a) At every Board and any of the committee meetings thereof, presentations will be made to the Directors on the Company's long term and short term strategy. Each of the business units head will present the performance and future strategy of their respective business units. The Chairman & Managing Director will also present the way forward and the future growth of the Company.
- b) The Directors will also be apprised of the risk matrix and its mitigation measures, Company policies, changes in regulatory environment as applicable to the Company and the relevant industry, quarterly presentations on operations made to the Board including information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management changes, major litigation, compliances, subsidiary information, etc.
- c) Meetings with Company executives shall also be arranged to better understand the business and operations of the Company.

## **PROGRAMME AND DISCLOSURE**

The Familiarization Programme will be conducted on an "as needed" basis during the year and as and when the Programme is conducted the same will be disclosed on the website of the Company and a web link thereto shall also be given in the annual report of the Company. Further, the Company should also put up details of all the programmes conducted and the Independent Directors who attended each of these programmes.

## **REVIEW OF PROGRAMME**

The Familiarisation Programme will be reviewed, and changes made as and when deemed necessary, from time to time.