

## **THERMAX LIMITED**

### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

In terms of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company shall familiarize the Independent Directors with the Company, their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

#### **I. OBJECTIVES**

Through the familiarization programme, the Company intends to achieve the following objectives:

- To apprise the Directors about the business model, corporate strategy, nature of industry, business plans and operations of the Company.
- To familiarize them with the Company's financial performance, annual budgets, internal control processes and statutory compliances.
- To apprise them about their roles and responsibilities in the Company.
- To familiarize them with Company's vision, values, ethics and Corporate Governance practices.

#### **II. FAMILIARIZATION PROGRAMME**

The Independent Directors in the Board and Committee meetings have been provided with the following:

- ❖ Updates on business model, nature of industry, operations and financial performance of the Company.
- ❖ Presentations on Annual Budgets, Internal & Statutory Audit, Corporate Social Responsibility, strategies and business performance of the Company, operations of subsidiaries & associates.
- ❖ Updates on significant developments in the Company.
- ❖ Freedom to interact with the Company's senior management at regular intervals.
- ❖ Policies of the Company on human resources, treasury investment, social responsibility, remuneration criteria, vigil mechanism, risk management, related party transactions etc.
- ❖ Update on significant amendments in corporate and other laws and its impact on the Company.
- ❖ Code of Conduct for Independent Directors as prescribed under the Companies Act, 2013.
- ❖ Roles and responsibilities of the Directors as outlined in the Companies Act, 2013.
- ❖ Interaction with senior management during the Board Retreat.

### **III. REVIEW AND REVISION**

The familiarization process will be revised from time to time in order to provide more information to Independent Directors to enable them to contribute significantly to the growth of the Company.

### Induction Programme for new Independent Directors

Sr.	Particulars	Coverage	Estimated time
1.	Orientation on organizational structure covering Thermax Limited, subsidiaries and JVs.	HR and operational structure of Thermax Group.	1 Hr.
2	Business overview - Thermax Limited & subsidiaries	Products & markets served, application examples of products, finance overview covering latest quarter and year end performance	3 Hrs.
3	Code of Conduct, Insider trading, Board schedule and Board committee orientation		1 Hr.
4	Plant visit	Chinchwad plant	1Hr.
5	Meeting with EC members	Interaction with Sr. Management	1 Hr.
6	One on one interaction with other Directors via telephone/video conference, personal visit as may be practicable	---	About 15 min. for each director

**Reading material to be provided:**

1. Latest 3 year annual reports
2. Memorandum & Articles of Association
3. Code of conduct
4. Insider Trading code
5. Fireside magazine copies – latest 3 issues
6. Product brochures/ marketing material

Details of familiarisation programme			Name of the Director					
Date	Meeting	Board/Committee Meeting Details	Dr. R. A. Mashelkar	Dr. Valentin A. H. von Massow	Dr. Jairam Varadraj	Mr. Nawshir Mirza	Mr. S. B (Ravi) Pandit	Mr. Harsh Mariwala
			Duration (in hrs)	Duration (in hrs)	Duration (in hrs)	Duration (in hrs)	Duration (in hrs)	Duration (in hrs)
		<b>A) Financials</b>						
05-Feb-18	Audit	Review financial statements closing, financial reporting process and Group Reporting Process	NA*	NA*	0	0.25	0.25	NA*
08-Nov-17	Board	Analysis of Return of Capital Employed (ROCE) of Thermax Group	0.5	0.5	0.5	0.5	0.5	0.5
06-Feb-18	Board	Review the projected Annual Business Plan for FY 2018-19	1	1	1	1	1	1
		<b>Sub-Total (A)</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.75</b>	<b>1.75</b>	<b>1.5</b>
		<b>B) Products</b>						
		<b>Sub-Total (B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>C) Customers</b>						
		<b>Sub-Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>D) Strategy</b>						
07-Aug-17	IIC	To review and give update on Investment in Indonesia	NA*	0.5	NA*	NA*	NA*	NA*
05-Feb-18	IIC	PT Thermax International Indonesia (PT TII) market share acceleration plan	NA*	0.5	NA*	NA*	NA*	NA*
30-May-17	Board	Update on Action Plan to achieve a business growth in next three years	1	1	1	1	0	1
08-Aug-17	Board	Approval of further investment in Thermax Engineering Singapore, PTE Ltd	0.25	0.25	0.25	0.25	0.25	0.25
08-Aug-17	Board	Update on International Business Group (IBG) operations and South-East Asian initiatives	1.5	1.5	1.5	1.5	1.5	1.5
08-Aug-17	Board	Unilever BOO Project, Philippines - infusion of equity	0.75	0.75	0.75	0.75	0.75	0.75
08-Nov-17	Board	Riview Project Kelvin as a part of product and service business growth plan in Europe	1	1	1	1	1	1
08-Nov-17	Board	Domestic M & A Project 'Summit' in the Oil & Gas Sector	0.25	0.25	0.25	0.25	0.25	0.25
28-May-17	SBDC	Update on Service Business M & A opportunities in Europe	NA*	1	1	NA*	NA*	NA*
07-Feb-18	SBDC	Discussion on learnings from project Kelvin & the way forward for Service Business Initiatives in Europe	NA*	0.25	0.25	NA*	NA*	NA*

07-Feb-18	SBDC	A status appraisal of project LEAP & guideline to th team for course correction	NA*	0.25	0.25	NA*	NA*	NA*
		<b>Sub-Total (D)</b>	<b>4.75</b>	<b>7.25</b>	<b>6.25</b>	<b>4.75</b>	<b>3.75</b>	<b>4.75</b>
		<b>E) Governance</b>						
07-Aug-17	IIC	Review update on business operations of subsidiaries	NA*	1	NA*	NA*	NA*	NA*
30-May-17	Board	Review Qualitative Report of the subsidiary Companies	0.25	0.25	0.25	0.25	0	0.25
08-Aug-17	Board	Application for obtaining Legal Entity Identifier Code from Legal Entity Identifier India Limited	0.25	0.25	0.25	0.25	0.25	0.25
08-Aug-17	Board	Update on proposal to seek an external intervention to facilitate structural correction to Thermax so as to enable better governance and resurrection to growth path	0.5	0.5	0.5	0.5	0.5	0.5
08-Nov-17	Board	Update on Joint Ventures of the Company	0.25	0.25	0.25	0.25	0.25	0.25
08-Aug-17	Board	Revised Terms of reference (ToR) of Internation Investment Committee	0.5	0.5	0.5	0.5	0.5	0.5
07-Nov-17	Audit	Review risk identification & mitigation activity	NA*	NA*	0.25	0.25	0	NA*
07-Nov-17	Audit	Rivew presentation on effective tax rate reduction	NA*	NA*	0.75	0.75	0	NA*
05-Feb-18	Audit	Review presentation on data security, risk and possible reasons	NA*	NA*	0	0.5	0.5	NA*
05-Feb-18	Audit	Riview the system of maintainance and storage of accounting and other records	NA*	NA*	0	0.25	0.25	NA*
05-Feb-18	Audit	Riview Code of Conduct and Vigil Mechanism	NA*	NA*	0	0.25	0.25	NA*
29-May-17	NRC	Succession planning	NA*	0.5	0.5	NA*	NA*	0.5
29-May-17	NRC	Riview 'Compensation & Benefits' revision for financial year 2017-18	NA*	0.5	0.5	NA*	NA*	0.5
05-Feb-18	NRC	Discussion & finalisation of Performance Management System for Executive Council Members for FY 2019	NA*	0.5	NA*	NA*	NA*	0.5
05-Feb-18	NRC	Revision in mandate of NRC	NA*	0.25	NA*	NA*	NA*	0.25
28-May-17	SBDC	Discussion on Corporate Structuring to maximise the Growth Potential of thermax	NA*	0.5	0.5	NA*	NA*	NA*
		<b>Sub-Total ( E)</b>	<b>1.75</b>	<b>5</b>	<b>4.25</b>	<b>3.75</b>	<b>2.5</b>	<b>3.5</b>
		<b>Total (A+B+C+D+E)</b>	<b>8</b>	<b>13.75</b>	<b>12</b>	<b>10.25</b>	<b>8</b>	<b>9.75</b>
0 = Director absent in the meeting								
NA* = Director not a member of committee								