

Familiarization Program for Independent Directors of Source Natural Foods and Herbal Supplements Limited

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is required that:

a) The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

b) The details of such familiarization programmes shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report.

In Source Natural Foods and Herbal Supplements Ltd., the Independent Directors are afforded every opportunity to familiarize themselves with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities so that they can contribute significantly towards the growth of the Company. They have full opportunity to interact with senior management personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part.

Briefly, following are the initiatives undertaken by the Company to familiarize the Independent Directors with the Company, its business, nature of industry in which it operates, their roles and responsibilities, etc.

1. Formal Letter of Appointment

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the terms, role, duties and responsibilities expected of him/her as an Independent Director of the Company.

2. Induction

At the outset, all the Independent Directors are provided with an overview of the following;

- Criteria of independence applicable to Independent Directors as provided under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 149(6) of the Companies Act, 2013;
- Time Commitment;
- Roles, Duties and liabilities;
- Code of Conduct of Directors and Insider Trading Regulations
- Disclosures and Business Interests,
- Policies inclusive of Vigil Mechanism Policy;
- Risk Management Systems & Policies;

3. Ongoing Familiarization

- The Independent Directors are advised from time to time, of the compliances required from him/her under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations and requisite affirmations are taken with respect to the same.
- They are also familiarized with the Company's operations, set up, market shares, governance, internal control processes and other relevant information pertaining to the Company's business and the Company will continue to follow the same in order to enable the Independent Directors to understand and get updated on the business and operations of the Company on a continuous basis.
- On an on-going basis, the Company, through its Managing Director &/or Whole time Director as well as other Senior Managerial Personnel, as required, conducts presentations/programs to familiarize the Independent Directors with the strategy, operations and functions of the Company
- Independent Directors have the freedom to interact with the Company's management and the senior leadership team of the Company.
- Presentations are made regularly to the Board of Directors / Audit Committee (AC) (minutes of AC and other Board Committees are circulated to the Board). This helps them to understand the Company's strategy, business model, operations, products, markets, organization structure, facilities, risk management and such other areas.
- Apart from this, they also have the freedom to interact independently with the Statutory Auditors, the Internal Auditors and external advisors as may be appointed from time to time.
- Independent Directors are also free to meet separately without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.
- The Quarterly and Annual Financial results of the Company are sent to the Directors

4. Conclusion:

Thus, all efforts are made through the above initiatives to involve the independent directors considerably in the strategies and analysis of the various business situations of the Company and to equip them to effectively discharge their responsibilities as a Director of the Company.