

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

1) PREAMBLE:

In terms of Clause 49 of the Listing Agreement, the Company is required to familiarize its 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.

Also, in terms of Schedule IV of the Companies Act, 2013 the Independent Directors are required to undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.

2) OBJECTIVE:

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

3) FAMILIARIZATION FRAMEWORK/ PROCESS:

The Company shall through its Executive Directors/ Senior Managerial Personnel conduct periodically the programs and presentations to familiarize the Independent Directors with the business, strategy, operations and functions of the Company and further;

- a) Such programs and presentations will provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business operations, service and product offerings, markets, organization structure, finance, human resources, quality, facilities and risk management and such other areas as may arise from time to time;
- b) The programs/ presentations shall also familiarize the Independent Directors with their roles, rights and responsibilities in the Company;
- c) Whenever Independent Directors desire to meet with any of the Business Heads or Members of Senior Management Team, the same shall also be facilitated.
- d) The Company may conduct an introductory familiarization program / presentation, when a new Independent Director comes on the Board of the Company.
- e) In addition to the above, separate meeting(s) of Independent Directors alone, shall also be scheduled as and when required by the Independent Directors
- f) The Company shall also provide regular updates on relevant changes in Company Law and the Listing Agreement to ensure that its Independent Directors are kept updated on these regulations.

Given the regulatory recognition of this important aspect on familiarization, a Formal Familiarization Programme will be done annually (at any of the Meetings of the Board or at any other Meeting as the Board may decide). Through this Programme, the Board will be familiarized with the nature of the industry in which the Company operates, changes in business environment and impact thereof on the working of the Company, and other relevant matters.

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4) FAMILIARIZATION PROGRAMMES CONDUCTED:

The Company in the meeting of Board of Directors held on 12th February, 2015, as a part of familiarization program and to meet with the statutory requirement, provided the overview of the following to the independent directors:

- a) Criteria of independence applicable to Independent Directors as per clause 49 of the Listing Agreement on Corporate Governance and the Companies Act, 2013;
- b) Roles, functions, Duties, Responsibilities and liabilities of Independent Directors;
- c) Vigil Mechanism including policy formulation, disclosures, code for Independent Directors, obtaining Audit Committee approval, wherever required;
- d) Risk Management systems & framework;
- e) Dealing with Related party transactions under the Companies Act, 2013 and the Listing Agreement;
- f) Loans and Investments under the Companies Act, 2013.

5) PROGRAMME AND DISCLOSURES:

- a) Familiarization program will be conducted “as needed” basis during the Year.
- b) The Company shall comply with such disclosure requirements relating to this Program as may be stipulated under applicable regulatory requirements. As per existing regulatory requirements, in compliance with the terms of clause 49 of the Listing Agreement, the details of the Program shall be uploaded on the website of the Company at www.kifsfinance.com and a web link thereto shall be provided in the Company’s Annual Report.

FOR KIFS FINANCIAL SERVICES LTD.

**RAJESH P. KHANDWALA
[MANAGING DIRECTOR]**

Date: 13th February, 2015

Place: Ahmedabad