



UJJIVAN SMALL FINANCE BANK
Build a Better Life

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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Preamble:

As per Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Listed Entity shall familiarize the independent directors through various programmes about the listed entity, including the following:

- (a) Nature of the industry in which the listed entity operates;
- (b) Business model of the listed entity;
- (c) Roles, rights, responsibilities of independent directors; and
- (d) Any other relevant information.

Regulation 46(2)(i) of Listing Regulations, The Listed Entity shall disclose the details, on the website of the Bank of familiarization programme imparted to independent directors including the following details:-

- (i) Number of programmes attended by independent directors (during the year and on a cumulative basis till date)
- (ii) Number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date) and
- (iii) Other relevant details.

Purpose & Objective:

In 2003 the 'Higgs Suggestions for Good Practice' stated that the induction process should aim to achieve three things, and these remains relevant till today:

- a. Build an understanding of the nature of the company, its business and the markets in which it operates.
- b. Build a link with the company's people.
- c. Build an understanding of the company's main relationships.

The programme aims to provide insights into the Bank to enable the independent directors to understand their roles, rights, responsibilities in the Bank and get updated on the business and operations of the Bank and contribute significantly to the Bank.

The Bank has formulated this familiarization programme for the Independent Directors with the objective of giving insight into:

1. Nature of Business of the Bank and business environment in which it operates
2. Business model of the Bank
3. Organisational structure
4. Structure of Board and Board Committees
5. Role and responsibilities of the Board Committees and Senior Management
6. Delegation of powers to various authorities by the Board,
7. Regulatory Framework applicable to the Bank
8. Strategic Plan including Vision, Mission and Values of the Bank
9. Cyber-safe environment and awareness about fine nuances of the cyber threats
10. Financial and other controls and systems and
11. Economic features of the market and competitive environment

Initial Familiarisation Programme:

An Induction/orientation program for newly inducted independent director shall constitute the following.

1. An Appointment Letter incorporating the role, responsibilities and duties, shall be issued to the new inductee.
2. The newly inducted independent director shall be provided with the induction kit containing following documents:
 - a. Memorandum and Article of Association of the Bank;
 - b. Annual Report of the Bank for last two years;
 - c. A brief note on the profile of Bank and profiles of top executives;
 - d. Structure of the Board and Board Committees;
 - e. Organisation Structure of the Bank with details of all functional designations including designations at the field level;
 - f. Applicable Policies such as Whistle blower policy and Nomination and Remuneration Policy;
 - g. Code of Conduct of Board and Senior Management;
 - h. Broad aspects for evaluation of performance of Board Members and
 - i. A note on the Bank's vision, core values, ethics, history and milestones, various business function in the Bank, business plan for the year, Regulatory Framework applicable to the Bank, Cyber-safe environment and awareness about fine nuances of the cyber threats, Delegation of powers to various authorities by the Board, Financial and other controls and systems and Economic features of the market and competitive environment.

Continuous Familiarisation Programme:

At various Board Meetings during the year, presentations are made to the Board on Risk Management, Financial & Business performance, Capital Adequacy, ICAAP, Portfolio Quality with areas of improvement, Liquidity Management, Fund Management, changes in Senior Management, BASEL framework, financial inclusion, matters relating to corporate governance, stress testing etc.

Various committee specific presentations as per their terms of reference are also presented in the Committee meetings such as presentation on the cyber security framework in the IT Strategy Committee Meeting, Risk Management Systems and process in Risk Management Committee meeting, matters relating to Customer Services were reviewed and discussed in the Customer Service Committee meetings etc.

Usually the Board and its Committee Meetings are held quarterly, business and financial performance is reviewed and discussed. Apart from this the Board and its Committee meets on need basis.

During the financial year 2023-24, below programmes have been attended by the Independent Directors:

| Sr. No. | Details of the Programme | No. of Hours spent by the Directors |
|----------------|---|--|
| 1. | Cyber Security Trends Workshop For Board Of Directors | 2 |
| 2. | Board Room Strategy Program by Economic Times | 8 |

On a fortnightly basis an update is shared with the Board on various information which includes business performance, collections, Staff Productivity, digital initiatives, cyber security, cost control, media coverage, regulatory update, Treasury and Liquidity update etc.

During the financial year 2023-24, for the new directors inducted in the Board, apart from providing them with the induction kit, online sessions were organised for the directors with the Management Team including business heads of the Bank to familiarise them about the various services, products, functions, departments, IT systems and Security, customers base of the Bank. During these sessions the Directors interacted with the Board as well as the management team of the Bank.

Management presents the latest circulars and notifications released by regulatory & statutory authorities, including all notifications from CSITE on a quarterly basis to the Board for their review and noting. All circulars and notifications directly applicable to the Bank or circulars that require specific noting & review of the Board are presented by them to the Board/Board Committees.

The Bank shall provide need-based training programmes / seminars/ workshops as may be designed to acquaint its directors with emerging developments/challenges facing the banking sector.

The Bank ensures that the directors are exposed to the latest managerial techniques, technological developments in banks, and financial markets, risk management systems etc. so as to discharge their duties to the best of their abilities.

Annual Review of the Familiarisation Programme:

The Board of the Bank shall review the familiarisation programme on annual basis and may make revisions or changes in the existing programme at any time during the year, if required.



Statutory/Regulatory Disclosures:

In compliance with regulation 46(2) and Schedule V of Listing Regulations the details of this familiarisation programme shall be disclosed on the website of the Bank and link thereof shall be disclosed in the section of Corporate Governance Report of the Annual Report of the Bank.

