

Suryoday Small Finance Bank Limited

Policy on Familiarization Programs for Independent Directors

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1. Background

In accordance with Regulation 25(7) read with Regulation 46(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), the Bank shall familiarise its Independent Directors through various programs about the listed entity and the listed entity shall disseminate relevant details of such familiarisation programs in its website.

2. Objective

In order to comply with the aforesaid regulations and with a view to enable the Independent Directors to fulfil their responsibilities efficiently and effectively, a familiarisation programme (“Programme”) has been put in place by Suryoday Small Finance Bank Limited (“Bank”) to assist them understand details about the Bank, their roles, rights, responsibilities in the Bank, nature of the industry in which the Bank operates, business model of the Bank etc.

3. Familiarization Process

1. The Bank shall conduct orientation programs / presentations / training sessions for Independent Directors at regular intervals to familiarize them with the strategy, operations and functions of the Bank and their roles, responsibilities and rights.
2. Such orientation programs / presentations / training sessions provide an opportunity to the Independent Directors to interact with the senior management of the Bank and help them to understand the Bank’s strategy, business model, group structure, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities, risk management strategy, governance policies and designated channels for flow of information.
3. The appointment of Independent Directors is formalized through a letter of appointment. This letter of appointment sets out the Terms and Conditions covering inter alia roles, duties and responsibilities, compliances under Bank’s policies etc.
4. The newly inducted independent director shall be provided with the induction kit containing following documents:
 - i) Memorandum and Articles of Association of the Bank
 - ii) Annual Report of the Bank for Last two years
 - iii) A brief note on the profile of Bank and profiles of top executives
 - iv) Structure of the Board and Board Committees
 - v) Organisation Structure of the Bank with details of all functional designations including designations at the field level.
 - vi) Applicable Policies such as Whistle blower policy and Nomination and Remuneration Policy, etc.
 - vii) Code of Conduct for Board and Senior Management
 - viii) Broad aspects for evaluation of performance of Board Members and Committees of the Board
 - ix) Bank’s vision, core values, ethics, history and milestones, various business functions in the Bank, 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, business plan for the year,.

- x) such other details and information as required or as requested for by the Independent Director(s).

5. Continuous Familiarization Programmes through the following:

- i) Branch visits, wherever possible, for the Independent Directors to enable familiarisation with how the Bank works at the ground level, to facilitate interaction with the Branch managers and staff as well as the customers of the Bank.
- ii) Presentations in the Board and Board Committees on customer service, IT Strategy, cyber security framework, risk management (including Capital adequacy, Stress testing, risk portfolio analysis), corporate governance, etc.
- iii) Dissemination of the latest circulars and notifications released by regulatory & statutory authorities to the Board on a quarterly basis for their information and review. All circulars and notifications directly applicable to the Bank or circulars that require specific noting & review of the Board shall be presented to the Board/Board Committees periodically.
- iv) Participation in relevant programs conducted by the Institute for Development and Research In Banking Technology (IDBRT) and Centre for Advanced Financial Research and Learning (CAFRAL, set up by RBI) for Board members of Banks and/or external / e-learning programs conducted by any reputed organisation on Corporate Governance.
- v) Ensure regular participation in relevant training programmes / seminars/ workshops to acquaint Directors with emerging developments/challenges facing the banking sector.
- vi) Exposure to the latest managerial techniques, technological developments in banks, financial markets, risk management systems, etc., to enable Directors discharge their duties to the best of their abilities.

4. Review of the Programme

The Policy shall be reviewed once in two years or earlier, if required.

5. Disclosure

The Programmes mentioned above shall be conducted at an appropriate frequency depending on the nature of the programmes. As per SEBI Listing Regulations, the details of the Familiarisation Programmes for Independent Directors, including the following, shall be disseminated on the website of the Bank and a web link shall be disclosed in the corporate governance section in the annual report of the Bank:

- 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.