

CARNATION INDUSTRIES LIMITED

Familiarization programme for Independent Directors

Preamble:

Clause 49 of the Listing Agreement with the Stock Exchanges inter-alia stipulates that 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.

Familiarization process:

Detailed note and presentation on the duties and responsibilities of the Independent Directors as per Companies Act 2013 were provided to each of the Independent Directors at the beginning of the financial year 2014-15.

All Independent Directors are aware and further updated about their roles, rights, responsibilities in the Company from time to time as and when required.

A Directors' kit containing information about the Company in presentation form, Memorandum and Articles of Association, Annual Reports for previous three years, Investor Presentations, brief profile of the Board Members etc. is provided to the new director.

The appointment letter issued to Independent Directors inter alia sets out the expectation of the Board from the appointed director, their fiduciary duties and the accompanying liabilities that come with the appointment as a director of the Company.

At the time of induction of an Independent Director in a Board Committee, he is explained about his specific role and responsibilities as a member of the Committee.

Independent Directors are provided with necessary documents, reports, Code of Conduct, Code of conduct for Prohibition of Insider Trading and other relevant internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company its subsidiary companies and power brands, business strategy and risks involved.

Quarterly presentation are regularly circulated to all the Directors including independent Directors. Each director of the Company has complete access to any information relating to the Company. Independent Directors have the freedom to interact with the Company's management as and when required.

They are given all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry segments of which it is a part.

Visit to company's unit will be organized for the Directors to enable them to understand the operations of the Company.