

# **FAMILIARIZATION PROGRAM FOR DIRECTORS ON THE BOARD**

## **1. About the Company – Legal status, incorporation details, Registered Office**

A company incorporated under the Companies Act, 1956.

Registered Office at S5, Off 3rd Cross, Peenya Industrial area, Peenya I Stage  
Bangalore – 560 058, India

## **2. Background of the Company – Business space, product details, customers**

Cerebra Integrated Technologies Ltd. (Cerebra) is a leading IT/ITES company, listed on the BSE (Bombay Stock Exchange) and NSE (National Stock Exchange of India Limited) started in the year 1992. The company has various business verticals, such as enterprise Solutions & Infrastructure Management (ESD), Electronic Manufacturing Services (EMS), legal process outsourcing, e-waste, & IT infrastructure solutions. Additionally the company has subsidiaries abroad that offer IT infrastructure solutions

## **3. Board of Directors of the Company- Brief Profile of each Director of the Company.**

V. Ranganathan	- Managing Director
Shridhar S. Hegde	- Whole-Time Director
P. Vishwamurthy	- Whole-Time Director
Preethi Javali	- Additional Director
T. S. Suresh Kumar	- Director
P. E. Krishnan	- Director
S. Gopalakrishnan	- Director

## **4. Facilities of the Company - manufacturing/operating facilities, locations, branch offices.**

### **MANUFACTURING FACILITIES AT:**

**Unit -1,** #S-5, Off 3<sup>rd</sup> Cross, I Stage  
Peenya Industrial Area  
Bangalore - 560 058  
Tel: 91 - 80 - 28370282/84  
Fax: 91 - 80 - 28372609

**Unit -2** 422/2, 11<sup>th</sup> Cross, 3<sup>rd</sup> Main  
4<sup>th</sup> Phase, 2<sup>nd</sup> Stage,  
Peenya Industrial Area  
Bangalore - 560 058

## **MANUFACTURING FACILITIES OF SUBSIDIARIES AT:**

26/4, 'A' Block, 2<sup>nd</sup> Floor  
Industrial Suburb, Rajajinagar  
Bangalore- 560 055

### **5. Role of Directors - Duties, Liabilities and expectations.**

The Board of Directors guides, directs and oversees the management and protects long term interests of shareholders, employees and the society, at large. The Board has complete access to all information with the Company, inter - alia, the following information is provided to the Board, with the Agenda papers for the Board meetings being circulated in advance of each meeting or is tabled in the course of such meeting.

- Annual Operating plans, Business Budgets and Capital Expenditure Budget.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Details of any Collaboration Agreement or Investment Agreement.

### **6. Duties of Directors as per Section 166 of the Companies Act, 2013.**

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall act in good faith in order to promote the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

- (6) A director of a company shall not assign his office and any assignment so made shall be void.

## **7. Code for Independent Directors as per Schedule IV to the Companies Act, 2013.**

### I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

### II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;

- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### III. Duties :

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;

- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

- (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

## VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

## **8. Clause 49 of the Listing Agreement.**

I. The company agrees to comply with the provisions of Clause 49 which shall be implemented in a manner so as to achieve the objectives of the principles as mentioned below. In case of any ambiguity, the said provisions shall be interpreted and applied in alignment with the principles.

Various elements (in brief) of clause 49 of the Listing agreement are mentioned below:

- A. The Rights of Shareholders
- B. Role of stakeholders in Corporate Governance
- C. Disclosure and transparency
- D. Responsibilities of the Board



## II. Board of Directors

### A. Composition of Board

### B. Independent Directors

Limit on number of directorships

Maximum tenure of Independent Directors

Formal letter of appointment to Independent Directors

Performance evaluation of Independent Directors

Separate meetings of the Independent Directors

Training of Independent Directors

### C. Non-executive Directors' compensation and disclosures

### D. Other provisions as to Board and Committees

### E. Code of Conduct

### F. Whistle Blower Policy

## III. Audit Committee

### A. Qualified and Independent Audit Committee

### B. Meeting of Audit Committee

### C. Powers of Audit Committee

### D. Role of Audit Committee

### E. Review of information by Audit Committee

## IV. Nomination and Remuneration Committee

## V. Subsidiary Companies

## VI. Risk Management

## VII. Related Party Transactions

## VIII. Disclosures

- A. Related Party Transactions
- B. Disclosure of Accounting Treatment
- C. Remuneration of Directors
- D. Management
- E. Shareholders
- F. Disclosure of resignation of directors
- G. Disclosure of formal letter of appointment
- H. Disclosures in Annual report
- I. Proceeds from public issues, rights issue, preferential issues, etc.

## IX. CEO/CFO certification

## X. Report on Corporate Governance

## XI. Compliance

Annexure - X to the Listing Agreement  
Information to be placed before Board of Directors

Annexure - XI to the Listing Agreement  
Format of Quarterly Compliance Report on Corporate Governance

Annexure - XII to the Listing Agreement  
Suggested List of Items to Be Included In the Report on Corporate Governance in the Annual Report of Companies

Annexure - XIII to the Listing Agreement  
Non-Mandatory Requirements:

1. The Board
2. Shareholder Rights
3. Audit qualifications
4. Separate posts of Chairman and CEO
5. Reporting of Internal Auditor

## **9. Code of Conduct for Directors and Senior Management**

Each Director and senior management personnel shall adhere to this code of conduct and affirm compliance with the code on an annual basis as per the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

***Note: The Directors will be updated on any changes and modifications on the business model of the Company from time to time through Meetings of the Board of Directors and of its various Committees.***