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# **SITI CABLE NETWORK LIMITED**

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# **MANUAL ON**

# **CORPORATE GOVERNANCE**

# **AT**

# **SITI CABLE NETWORK LIMITED**

# Corporate Governance Manual

This Corporate Governance Manual is prepared with an objective to define the core principles of the internal governing system at Siti Cable Network Limited (formerly known as "Wire and Wireless (India) Limited") ("SITI CABLE") - encompassing policies, processes and authorities, and to ensure its strict implementation in order to achieve effective management of the businesses and efficiency in operations. The guidelines, processes and authorities covered in this manual have been approved and adopted by the Board of Directors of the Company at the meeting held on May 17, 2012 and this Corporate Governance Manual shall become operational with effective from May 20, 2012.

The Board of Directors of Siti Cable Network Limited endeavors to promote and maintain the highest standards of Corporate Governance at SITI CABLE and seek compliance with the guidelines, provisions and/or directions of this Manual and such other guidelines framed, at all times, in letter and spirit.

Primary responsibility for adherence to this Corporate Governance Manual in letter and spirit lie with each member of the Board of Directors of the Company and Senior Management Executive(s) / Business Head(s) / Functional Head(s) of the Company.

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## P R E A M B L E

Siti Cable Network Limited (SITI CABLE) is one of India's largest Multi System Operator (MSO). With 53 analogue and 11 digital head ends and a network of more than 12000 Kms of optical fibre and coaxial cable, it provides its cable services in India's 57 key cities and the adjoining areas, reaching out to over 10 million households.

SITI CABLE deploys State-of-the-art technology for delivering multiple TV signals to enhance consumer viewing experience. SITI CABLE's product range includes, Analogue Cable Television, Digital Cable Television, Broadband and Local Television Channels. SITI CABLE has been providing services in analogue and digital mode, armed with technical capability to provide features like Video on Demand, Pay per View, Electronic programming Guide (EPG) and gaming through a Set Top Box (STB). All products are marketed under SITI brand name. We are listed on NSE and BSE.

Corporate Governance at SITI CABLE is intended to ensure value creation for all its stakeholders. SITI CABLE believes that the governance process must ensure adherence and enforcement of the principles of sound Corporate Governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations. The Company is committed to achieve and maintain highest standards of Corporate Governance and with this view, endeavors to improve in all aspects of Corporate Governance on an ongoing basis. This 'Corporate Governance Manual' contains guidelines covering decision making authority levels, the policies and processes which provide an effective and flexible governance framework in the Company realizing the need to ensure an effective mechanism of checks and balances with transparency and accountability as the hall mark.

*'Board is supreme'* in Internal Governance, since it is the collective responsibility of the Board Members to endorse the organization's strategy, develop directional policy, supervise the operations of the Company and ensure accountability of the organization to its owners/shareholders and authorities. Report of SEBI Committee on Corporate Governance defines corporate governance as "the acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of the Board and Management as trustees on behalf of the shareholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal

& corporate funds in the management of a company." The definition is drawn from the Gandhian principle of trusteeship and the Directive Principles of the Indian Constitution.

The enclosed policy addresses Corporate Governance in following 6 (six) parts.

- ❖ Part I of this Manual sets out the governance concept, core principles and the cornerstones of SITI CABLE's governance philosophy.
- ❖ Part II delineates the current governance structure and sets out the roles and responsibilities of the various entities involved in the internal governance process of SITI CABLE.
- ❖ Part III covers the transaction-wise authority, delegation of powers at various levels of the corporate governance structure, and the Authority Manual in line with respective roles and responsibilities.
- ❖ Part IV sets out the control framework in respect of the wholly owned subsidiaries, direct / in-direct subsidiaries and Joint Ventures.
- ❖ Part V spells out the Charter and Role of the Board of Directors including the principles, functions of the Board and the independence of the individual members of the Board.
- ❖ Part VI sets out of the current policies relating to Code of Conduct & Ethics, Insider Trading regulations, Whistle Blower Policy and other policies and the guidelines applicable certain processes and/or operations.

This Corporate Governance Manual and the Policies / guidelines enumerated will be reviewed by the Board of Directors of the Company once a year and as and when felt necessary to ensure its continuing relevance, effectiveness and also to reflect corporate, legal and regulatory developments.

## **PART I**

### **GOVERNANCE CONCEPT**

#### **DEFINITION**

Corporate Governance is about how, and a systemic process by which, companies are directed, supervised and controlled to enhance their wealth generating capacity by ensuring that the resources are managed in a manner that meets the aspirations of the stakeholders.

It is the acceptance by the Management of the inalienable rights of shareholders as the owners of the corporation and of the Board and Management as trustees on behalf of the shareholders, leading to identifying and implementing a governance structure which specifies distribution of rights and responsibilities among different participants in a Company and spells out the rules and procedures for making decisions on corporate affairs. Transparency about a Company's governance policies is critical and an efficient corporate governance process / structure requires a clear understanding of the respective roles of the Board, Management and their relationship with others in the corporate structure.

#### **CORE PRINCIPLES**

Corporate Governance initiative at SITI CABLE is based on the following core principles:

- (i) The Board of Directors is responsible for, and has the important role of, overseeing management performance on behalf of shareholders;
- (ii) Management ought to be given freedom to drive the enterprise forward without undue restraints; and
- (iii) Ensure accountability while facilitating effective management of the businesses and efficiency in operations by clearly defining objectives of fairness, transparency, professionalism, trusteeship and accountability.

SITI CABLE believes that any meaningful policy on Corporate Governance must provide empowerment – with a clear objective to perpetuating a successful business and optimizing long-term financial returns - to the Management of the Company, and simultaneously create a mechanism which ensures that the decision making powers vested are used with care and responsibility to meet stakeholder aspirations and societal expectations.

## **CORNERSTONES**

Following cornerstones of SITI CABLE's internal governance guidelines emerge from the above definition and core principles of Corporate Governance:

### ***Trusteeship -***

Within the framework set by the Companies Act, 1956, the Board represents, and is accountable to, the Shareholders, Employees & Creditors of the Company and the Society. The Operating Management assists the Board in exercise of its responsibilities. These functions cast responsibility of trusteeship on the Company's Board of Directors and the Management. Collectively the Board and the Management act as trustees to protect and enhance shareholder value, as well as to ensure that the Company fulfils its obligations and responsibilities to its other stakeholders and to ensure equity.

### ***Fairness & Transparency -***

SITI CABLE believes that transparency about the Company's governance policy is critical and the spirit of good Corporate Governance encompasses simple tenets of integrity, transparency and fairness in all actions and transactions. It is also believed that transparency must lead to maximum and appropriate disclosures to the stakeholders without jeopardising the strategic interests of the Company. Transparency means openness in the conduct of the business in a manner that will bear scrutiny and the Company's relationship with its employees

### ***Accountability -***

An essential element of the core principle of governance is 'accountability' and, to effectively and efficiently discharge their responsibilities all constituents of the Management must have adequate empowerment i.e. the freedom to drive the enterprise forward in line with the corporate structure / organizational hierarchy, potential of the employees and the responsibility thrust. While the Board of Directors are accountable to the shareholders and others, and the management is accountable to the Board of Directors. Empowerment coupled with accountability provides an impetus to performance and improves effectiveness, thereby enhancing shareholder value.

Other key elements of good corporate governance principles include honesty, integrity, openness, performance orientation responsibility, non-discrimination based on sex, class or community, mutual respect, and commitment to the organization. Efficient corporate governance requires a clear understanding of the respective roles of the Board and of the senior management and their relationships with others in the corporate structure. Relationships of the Board and management shall be characterized by sincerity, their relationship with employees shall be characterized by fairness and the relationship with government and regulatory authorities shall be characterized by a commitment to compliance in letter and spirit.

## PART II

### GOVERNANCE STRUCTURE

The Board of Directors (the "Board") believes that the primary responsibility of the directors is to provide effective governance over the Company's affairs for the benefit of its shareholders. Following the philosophy and core principles of internal governance outlined above, Corporate Governance structure in SITI CABLE shall be at the following two levels:

Board of Directors & Board Committees	Policy formulation, review and monitoring; Review of operations
Corporate Management Committee	Oversee major executive responsibilities; Implementation of policies, effectuation of delegated authorities and compliance responsibility

#### **I      *Board Supervision:* -**

Strategic supervision (on behalf of the shareholders) by the Board of Directors - through direction, support and guidance on policies, evaluation of the management and business performance, and seek to ensure accountability from the Executive Management. The Board's responsibility – individually and collectively – shall cover the following areas for effective and efficient discharge:

- Fiduciary duties
- Overseeing of the Management actions
- Evaluation of business and management performance
- Direction and guidance in formulating and shaping policies and business strategies

In supervising and running the affairs of the Company the Board shall collectively have the following prime responsibilities:

- Spell out organisational vision, mission and values
- Formulate and set strategic direction, approve long-term strategic / business plans and monitor corporate performance against such plans
- Review, identification and management of strategic risk

- Discharge all non-delegatable statutory responsibilities
- Approve financial statements ensuring a true and fair view of the Company's affairs; Approve appropriate accounting policies and ensure that they are applied consistently
- Ensure appropriate mechanisms for senior management succession
- Determine and periodically review corporate governance policy(ies)
- Manage shareholder issues particularly to ensure equity among shareholders
- Recommend to shareholders, the Board composition and compensation
- Adopt policies of corporate conduct and ethics, including compliance with applicable laws and regulations, maintenance of accounting, financial and other controls, and reviewing the adequacy of compliance systems and controls
- Evaluate periodically the work and overall effectiveness of the Board and its Committees

***II Management : -***

Within the Board approved framework the Executive Management Team headed by the CEO (or by COO, if there is no CEO) to ensure strategic management of the Company's businesses, supervise and monitor implementation of business plans, formulate and implement control systems, talent management and risk management policies. The CEO is assisted by a Corporate Management Committee and the Business / Functional Heads will have the freedom to focus on the executive management of the respective areas of responsibility.

The task of governance at the various levels on this structure determines the core roles and responsibilities of the key entities, namely, the Board of Directors, the Chief Executive Officer (or by COO, if there is no CEO), the Corporate Management Committee and the Business / Functional / Zonal Heads. The core roles, responsibilities and powers of the key entities at the various levels collectively make up the Corporate Governance structure. Responsibility of the Executive Management Team headed by the CEO (or by COO, if there is no CEO) shall include:

- Facilitate effective functioning of the Board
- Formulate and present for approval annual business plans including objectives and strategies, expansion of cable network, establishment of

cable network / head end / control room in new area(s), capex and investments

- Ensure implementation of approved Business Plans and other strategic objectives and present the same for review by Board, from time to time
- Responsible for day-to-day operations of the respective businesses and monitor its efficiency and effectiveness
- Formulate organisational and / or business specific policies, systems and processes
- Formulate human resources plans and policies, including recruitment, compensation, career and succession planning and human resource development plans – at all levels
- Ensure Board is kept informed in a timely manner of all significant developments in relation to all businesses for securing advice, guidance, authorisation and / or decision
- Ensure statutory and/or regulatory compliance with business conduct and governance processes

Currently, the Board of Directors of the Company has constituted various Board Committees with brief scope and terms of reference as detailed herein viz:

#### **i. Audit Committee**

The role and the powers of the Audit Committee currently are as per guidelines set out in Clause 49 of the Listing Agreement and provisions of Section 292A of the Companies Act, 1956. The Committee meets periodically and reviews:

- Accounting and financial reporting process of the Company
- Audited and un-audited financial results
- Review of Internal audit reports, risk management policies & report on internal control systems of the Company
- Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities (including write-offs and/or issuance of credit notes) and whether the audit tests are

appropriate and scientifically carried out in accordance with Company's business and size of operations.

**ii. Share Transfer & Investors Grievances Committee**

Terms of reference of the Share Transfer and Investor Grievance Committee is to supervise and ensure efficient transfer of shares and proper and timely attendance of investors' grievances.

**iii. Remuneration Committee**

Currently, the terms of reference of the Remuneration Committee *inter alia* consist of reviewing and/or recommending the overall compensation policy, service agreements and other employment conditions of Executive Director(s).

**iv. Finance Sub-Committee**

Main function of Finance Sub-Committee is to consider and approve, within the overall limits delegated by the Board, financing facilities offered and/or sanctioned to the Company by various Banks and/or Indian Financial Institutions and/or other body corporate from time to time, in the form of Term Loans, Working Capital facilities, Guarantee Facilities, etc., including the acceptance of terms and conditions of such facilities being offered.

## P A R T III

### **AUTHORITY AND DELEGATION OF POWERS**

#### **POWERS OF THE BOARD - STATUTORY ITEMS**

**a) *Powers exercisable only with consent with shareholders***

1. Sell, lease, transfer or otherwise dispose of any undertakings, business units and/or Channels of the Company;
2. Remit or give time for repayment of any debt due by a Director;
3. Borrow in excess of paid-up capital and free-reserves or exceeding limits already approved by the shareholders
4. Contribute to charitable and other funds not directly relating to business or welfare of employees – in excess of Rupees 50,000/- or 5% of average net profits of preceding 3 years;
5. Payment of remuneration or any other perquisites or allowances to Non-Executive Director(s)

**b) *Non-delegatable powers***

1. Donations to political parties or for political purposes;
2. Authorise buy-back of Company's shares;
3. Issue of shares, debentures or other like instruments or make calls on shares;
4. Appoint additional / alternate Directors or fill casual vacancies on the Board;
5. Take note of notice of disclosure of interest, directors' shareholding, in SITI CABLE and group companies and record contracts in which particular Director may be interested;
6. Appointment of 'Managing Director' or 'Whole-time Director' or 'Manager' and decide on terms of such appointment (including changes in terms, if any)

**c) *Other powers***

1. Approve annual, quarterly and half-yearly accounts;
2. Recommend dividends;
3. Convene General meetings and take decision on closure of Register of Members for any purpose;
4. Affixation of Common Seal to any document(s);
5. Approval of, or changes in, remuneration of Whole-time Director(s);
6. Fixation of Commission payable to Non-Executive Director(s) up to a limit of maximum of 1% of net profits of the Company;
7. Decide on Sitting Fees payable to Directors within the limits set out under applicable laws;
8. Monitoring of transactions of or by the Subsidiary(ies) – both direct and indirect and nomination of Director(s) on the Subsidiary(ies)
9. Formulate and review Risk Management Policy and approve mitigation measures

**POWERS OF THE BOARD – OTHER ITEMS**

- a) Governance structure, committee formations and delegations of powers;
- b) Policy framework aimed at exercising operational and risk management controls;
- c) Formation or closure of subsidiaries, divisions/branches/units;
- d) Expansion or closure of cable network, establishment of cable network / headend / control room in new area(s),
- e) Adoption of integrated business plans, annual operating & capital/revenue budgets, broad business strategies, etc.
- f) Ensuring statutory, legal and tax compliance
- g) Delegation of limits for capital expenditure, acquisition and disposal of assets, borrowings, and investments
- h) Approval of Human Resources Policy – delegation limits, grades and structure of compensation, incentive schemes and stock options

- i) Adoption of SITI CABLE Code of Conduct and Insider Trading Code and/or any other policy mandated by regulatory requirements
- j) Change of name or registered office of the Company
- k) Change, purchase, sale, termination of brand name/trade mark, copyrights, and/or any other form of intellectual property;
- l) Entry into or exit from businesses – including acquire, sell, lease, franchise, etc.
- m) Approval of all loan agreements having covenants which deals with or impinge upon composition of Board or equity structure or restrict the scope of the Company's business
- n) Creation of any mortgage, charge, lien, pledge or other encumbrance on any property / asset of the Company
- o) Changes to share capital – the issue or recommendation to shareholders, or authorization of the issue of shares or other securities, delivery or grant of any right, option or other commitment for issue of such instruments
- p) Provisions, extension or renewal of loans in excess of Rs 5 Crores (or such other limits delegated from time to time);
- q) Incurring of any borrowings or similar obligations including provision of guarantees (whether actual or contingent and including issue of any convertible debentures or bonds) for payment or repayment of money exceeding Rs 5 Crores (or such other limits delegated from time to time);
- r) Appointments to the Board or the Board Committees;
- s) Recommend appointment, removal or replacement of Statutory Auditors of the Company;
- t) Capital expenditure exceeding Rs 5 Crores (or such other limits delegated from time to time);
- u) Approval of loans or sale of assets to Managers in certain Grade and above;
- v) Approval of all contracts with a contract value of exceeding Rs.5 Crores (or such other limits delegated from time to time);
- w) Amendments to constitutional documents;

- x) Initiating, defending or settling any arbitration or litigation or compromising any claim or debt – having value in excess of Rs 5 Crores
- y) Permission to use 'SITI CABLE' Corporate name and/or logo;

**For review :**

- a) Decisions of the Corporate Management Committee (within the delegated limits)
- b) Guarantee(s) / Undertakings or Comfort Letters provided by the Company from time to time based on the delegated limits
- c) Accounting policies – for existing and new businesses – including amortization policies.

## **P A R T   I V**

### **SUBSIDIARIES, JOINT VENTURES & ASSOCIATIES**

SITI CABLE Board has full responsibility in respect of all companies in which it has more than 50% shareholding, decided to regularly review working and strategic decisions of these subsidiaries to ensure that major strategic decisions are taken by these subsidiaries in a manner satisfactory to SITI CABLE and for the purpose decided to put in place appropriate mechanism to appoint and/or nominate WWIL representatives as Directors and key management functionaries wherever felt necessary and on a need based basis.

The primary responsibility of adoption of Corporate Governance similar to WWIL will vest with these representatives and in order to ensure strict adherence of governance norms in these units, every major activity by the said unit must be controlled, monitored and approved by WWIL as the Holding Company. The appointments to the Board (and Manager) of the Company, appointment / removal of Auditors, and authorization for establishment of down-stream subsidiaries or overseas companies / offices shall be done only with the prior approval of the WWIL Board.

Direct subsidiaries of the Company – where more than 50% shareholding is held by WWIL or where 50% shareholding is held by WWIL with the Management Control – and Indirect Subsidiaries of the Company – where more than 50% of shareholding is held by any of the direct subsidiary(ies) of the Company must ensure that the following items / issues are presented to the WWIL Board – for approval or review - through the Monitoring Committee (which function may be carried out by the current Finance Sub-Committee of the Board) bi-annually, or more frequently as may be required or where relevant prior to its implementation :

1.     Governance structure including related delegation of powers.
2.     Change or modification to any of the constitutional documents, brand name or logo

3. Entry into / exit from businesses, in any manner whatsoever, business entry into new geographical areas, purchase, sale, lease, franchise etc.
4. Business plans including strategies, investments, capex, revenues and profits, borrowings including extensions etc., and review of performance
5. Borrowings of any nature from any party including any Bank or Financial or Credit Institution in any form – in excess of an annual pre-approved limits
6. Any remittance of money – other than to the Holding Company in the ordinary course of business – in excess of certain fixed limit (say equivalent to US\$ 50,000 ) to any party within or outside the domicile limits, unless the unit obtains an annual pre-approved party-wise limits specifying the purpose
7. Investment or disinvestment in Equity / Preference capital including those carrying options convertible to equity
8. Provision of any loans or advances, including investments in Debentures & Bonds to individuals / corporate / institutions, other than those made in the normal course of business
9. Issuance of Corporate Guarantees, Letters of Comfort, Letters of Awareness, Corporate undertakings, etc. to or on behalf of any other company / individual / firm or institution.
10. Loan Agreements having covenants which impinge upon composition of the Board or equity structure of the unit or its holding company(ies) or restrict the scope of the companies Business
11. Formation, promotion and/or acquisition of new companies, joint ventures, partnerships, including execution of binding MOUs/ agreements to that effect
12. Donations for any purpose exceeding certain value (to be fixed by the Monitoring Committee) in individual value and all donations to political parties

13. Appointment of individuals as retainers or consultants where the total annualised remuneration package exceeds certain value per individual or firm
14. Acquisition of any immovable property
15. Engagement or recruitment at any level of management at the unit level, of children / spouses of existing or former managers, including children / spouses of existing or former managers of WWIL

In respect of any entity which is not a direct or indirect subsidiary of WWIL, depending on the ownership held by WWIL or the strategic importance of the unit to WWIL, the Board shall form a separate policy for involvement in the governance of the said Company or Unit recognizing that the Boards of these Companies have the right to manage such companies independently in the best interest of these companies and all their shareholders. WWIL representative(s) on the Boards of these companies shall function as independent members of these boards, and will at all times exercise independent judgement and application of mind in the interest of all the shareholders including WWIL. In order to discharge its responsibilities as a major shareholder in these companies, the WWIL Board shall periodically review the performance of these companies and the representative Director shall facilitate such review, and shall also keep the Board advised on matters significantly impacting the performance of these companies.

## PART V

### CHARTER AND ROLE OF BOARD OF DIRECTORS

#### ***Statutory Duties***

The Directors are responsible for ensuring compliance with all applicable statutory and regulatory requirements by the Company. To achieve this objective, the Board will require the management to apprise or to place before itself all the relevant reports, information, certificates, with supporting documents as applicable to facilitate the Board or its sub-committee. In case any delay or violation or default by the management is observed, the Board may provide necessary direction to the management for taking corrective action and effective compliance.

#### ***Fiduciary Duties***

Directorships are considered 'positions of trust' not strictly defined by any statutory law. The Board as a whole and the Directors as individuals owe certain fiduciary responsibilities to the Company as an entity and to its stakeholders. Directors are required to act in the best interests of all shareholders / stakeholders of the Company in accordance with the Memorandum and Articles of Association of the Company.

The fiduciary duties of Directors within the framework of law are as under:

#### ***Duty of Loyalty to act without conflict and always put the interests of the Company before those of the Individual Directors***

Directors should not be influenced by any financial or personal interest in the course of their dealings on behalf of or with the Company. If avoidance is impractical in a given situation then such transactions should be approved by non-interested Directors in a manner that ensures arms length transactions including the right of the non-interested Directors to reject the transaction altogether. Independent Directors must critically review conflict-of-interest transactions.

#### ***Duty of Care to take informed decisions***

Duty of Care carries personal responsibility and is owed to the Company. Duty of Care demands that each Director must exercise due care and diligence in overseeing the management of the business of the Company. Directors shall collectively and individually, act prudently in discharging their duties.

Directors are expected to attend all Board and Committee meetings. The duty of care requires that a Director acquaints himself with all material information reasonably available (including any alternative to a proposal) before making a business decisions. The Board Members may seek any additional information or document they deem necessary before taking any decisions.

***Duty to act in good faith in accordance with the Company's codes and policies and the best governance practices***

The duty of good faith requires that the Directors ensure that all the necessary processes are followed to arrive at decisions which are in the best interest of the Company.

***Application of Fiduciary Duty Principles***

The Directors must follow the following principles in fulfilling their fiduciary responsibilities:

- \* Directors should keep themselves informed of all matters related to the Company and its business affairs;
- \* Directors should always act collectively as a Board, or as they are specifically authorized by the Board and its Committees;
- \* Directors should attend and participate in meetings as far as possible;
- \* Directors should ask question or voice their concerns, if any;
- \* Directors are responsible for their decisions on any given matter;
- \* Directors should not disclose confidential information unless expressly authorized to do so by the Board or its Committees or as may be required in the course of dealings on behalf of the Company;
- \* Directors should disclose their personal and business interest on any matter placed before the Board and abstain from voting on such matters;
- \* Board's decision should be reflected through its minutes and the Directors should assure that:

***Board Structure***

***Size of the Board***

The Company Secretary assists the Board in determining the optimum Board size at any point of time within the legal framework. It is believed that at present its existing 5 member size is adequate, given the Company's current scale of operations and desired competencies of the Board members.

### ***Current Requirements***

- \* Section 252 of the Companies Act, 1956 prescribes that every public limited company shall have at least 3 Directors
- \* Section 259 of the Companies Act, 1956 provides for appointment of up to 12 Directors without seeking Central Government approval (Articles of Association of the Company was recently amended to this effect)
- \* The Listing Agreement does not specify any minimum or maximum size of the Board.
- \* The Articles of Association of the Company prescribes that the Company can appoint up to 12 Directors

The Companies Act, 1956 does not specify any ratio of Non-Independent and Independent Directors

Clause 49.I (A) of the Listing Agreement provides that the number of Independent Directors would depend on whether the Chairman is Executive or Non-Executive and in the case of Non-Executive whether he/she is from Promoter category. In case of an Executive Chairman (or in the case of Non-Executive Chairman from the Promoter Category), at least 50% of the Board should comprise of Independent Directors.

### ***Definition of what constitutes Independence for Directors***

For a Director to be considered Independent, the Board should determine that the Director does not have any direct or indirect material pecuniary relationship with the Company

The Company obtains an undertaking from every Independent Director confirming that they meet the requirements of an Independent Director as per the Listing Agreement and besides the provisions laid out under the Listing Agreement, the Board also considers all relevant facts and circumstances including that of persons or organizations with which the Director has an affiliation, in forming an opinion as to the independence of the concerned Director(s).

In order to avoid any conflict of interest, the Board discourages any kind of transaction, material or not, with its independent members. In case the Company is required to enter into such a transaction with a Director or any person associated with him, the Board follows a strict procedure as laid down in its policy for "Code of Business Conduct and Ethics for Directors and Senior Management" of the Company to ensure that the transaction is at arms length and in the best interest of the Company. In the event of any doubt on applicability of the said policy on any transaction with the independent member, the Company Secretary should confirm the applicability or otherwise, duly backed up by proper document / opinion obtained from a legal counsel.

### ***Declarations to be given by Board members***

The following disclosures / declarations are to be given by Board members:

Sr. No.	Relevant Sec. / Rule / Reg.	Particulars	Periodicity
1	Sec. 264 of the Companies Act, 1956	Consent to be appointed as Director to be filed with Company and Registrar of Companies	Before accepting the appointment as Director
2	Sec. 299 and 297 of the Companies Act, 1956	Disclosure of interests by Director to the Company	General notice to be given at the time of joining the Board; [Immediate] As and when there is a change in interests; General notice to be given during the last month of every financial year [before March 31 of every year]
3	Sec. 305 of the Companies Act, 1956	Disclosure of particulars of other directorships	General notice to be given at the time of joining the Board; (Immediate) As and when there is a change in directorships/office held in other bodies corporate; [within 20 days of such change]
4	Sec. 308 of the Companies Act, 1956	Disclosure of shareholding in the Company and its subsidiaries	General notice to be given at the time of joining the Board; [Immediate] As and when there is a change in holding;
5	Reg. 13(2) of the SEBI (Prohibition of Insider Trading) Regulations, 1992	Disclosure of interest or holding by Directors	At the time of joining the Board [within 2 working days] in Form B of the WWIL Code of Conduct for Prohibition of Insider Trading
6	Reg. 13(4) of the SEBI (Prohibition of Insider Trading) Regulations 1992	Disclosure of interest or holding by Directors	Change in holding since the last disclosure, when the change exceeds Rs. 5 lakhs in value or 25,000 shares of 1% of total shareholding or voting rights which ever is lower, in Form D

			of the WWIL Code of Conduct for Prohibition of Insider Trading
7	Reg. 2.6.1(b) of the WWIL Code of Conduct for Prohibition of Insider Trading	Disclosure of interest or holding by Director	Within 4 working days after end of quarter in Form B of the WWIL Code of Conduct for Prohibition of Insider Trading
8	Reg. 10(e) of the WWIL Code of Conduct for Prohibition of Insider Trading	Annual Disclosure of interest or holding by Director	Within 30 days after end of every financial year in Form C of the WWIL Code of Conduct for Prohibition of Insider Trading
9	WWIL Code of Business Conduct and Ethics for Directors and Senior Management	Annual Certification of compliance with the Code	Within 15 days of the close of every financial year
10	Clause 49 of the Listing Agreement	Declaration from Independent Director	Annual declaration

#### ***Loans to Directors and Executive Officers***

The Company shall not make any personal loans or extend any credit to Directors or executive officers except as laid out in the Company's employment rules for executive officers. Section 295 of the Companies Ac, 1956 prescribes restrictions on loans as well as guarantees and securities to be given to Directors and their relatives and associates.

#### ***Disclosure of WWIL Shareholding by Directors***

The Company periodically receives disclosures from its Directors on the details of shares of the Company held / acquired / sold by them or by any other person on their behalf. The position of Directors' holdings as at the end of a financial year is incorporated in the Annual Report. The Directors of the Company are required to give disclosure in terms of Section 308 of the Companies Act, 1956 and WWIL Code of Conduct for Prohibition of Insider Trading the details of shares or debentures of the Company or its subsidiary companies held / acquired / sold, by himself or by any other person on his behalf.

#### ***Ethics and Conflicts of Interest***

The Board has approved the "Code of Business Conduct and Ethics for Directors and Senior Management" of the Company and "Code of Conduct for Prohibition of Insider Trading". The Company has also separately adopted the WWIL Code of Ethics to effectively aid the employees of the Company to perform their duties. These documents are part of this Manual and are provided in Annexures I, II and III.

All the Directors and Senior Executives of the Company are required to adhere to the Code of Conduct as approved by the Company. No Non-Executive Director will provide any personal services to WWIL for any compensation, other than in connection with serving as WWIL Director, without prior approval of the Board. If an actual or potential conflict of interest arises for a Director, the Director shall promptly inform the Board and the Board shall endeavour to resolve the same. Directors shall not participate in any discussion or decision affecting their personal, business or professional interests.

### **Current Requirements**

Clause 49 I (D) of the Listing Agreement provides that every Company shall have a Code of Conduct for Directors and Senior Management, the code shall *inter alia* encompass the ethics and fair dealing policies of the Company and all Board members and senior management personnel are required to annually confirm compliance with the Code. A declaration to this effect shall be made by the Whole-time Director & CEO in the Annual Report of the Company.

### **Board Meeting Procedures**

#### **Pre-scheduled Board meetings**

The Board meets at least 4 times every year based upon a schedule established at the last meeting of the previous year. A Board Meeting may be held in the month of March every year to seek approval of the Board for key issues of strategy, risk, business plan and budget for the next financial year. The Board also approves the schedule of meetings for the next financial year and major items to be discussed at such meetings.

The main business to be considered in all such meetings will be as follows:

<b>Month of meeting</b>	<b>Main business to be considered</b>
April / May	Un-audited results for the 4 <sup>th</sup> Quarter and previous Financial Year Audited financial results for the previous financial year Appointment of Statutory Auditors Appointment of Directors in place of retiring Directors
July	Quarterly results (Q1)
October	Half Yearly results (Q2 and Half-year)
January	Quarterly results (Q3 and 9-Months till Dec.)
March	Annual operating plans and budgets for the next financial year

## **Urgent Board Meetings**

Apart from the pre-scheduled Board Meetings, the Company may for the purpose of urgent matters, convene additional Board Meetings at any time during the year. However, such meetings shall be convened only upon justification of the urgency of the subject matter and with the prior approval of the Chairman and in consultation with other Directors.

## **Selection of Agenda Items for Board Meetings**

The Agenda for the Board meeting is decided keeping in mind that the meetings focus primarily on the matters requiring legal / statutory compliance, policy decisions and on items that are truly the Board's responsibility. The following procedure is followed for the selection and finalization of Agenda for Board meetings;

The Secretarial Department sends an advance intimation of the meeting (at least 20 days in advance) to all the other divisions requesting for submission of items to be considered in the next Board meeting.

Respective divisions send the details, in writing, with respect to the items required to be placed at the next Board meeting along with supporting documents to facilitate meaningful discussion and deliberations at the Board meetings. The following minimum details are required to be furnished.

- \* Brief introduction on the proposal to be placed before the Board;
- \* Need and justification of the proposal;
- \* Relevant legal and statutory provisions applicable to the matter or transaction;
- \* Advantages / implications of the proposal;
- \* Proposed execution timings;
- \* Cost-benefit / sensitivity analysis ;
- \* Delegation of authority, if any, proposed and the particulars of the executives in whose favour authorization is sought.

**Preparation of draft Agenda:** Based on the proposals received from the various departments, the Secretarial division prepares the draft Agenda (12 days before the meeting), which includes the following:

- \* Draft notice and Agenda of the Meeting;
- \* Draft notes on Agenda;
- \* Supporting documents to the Agenda;
- \* Draft resolutions to be passed by the Board for each item of the Agenda;
- \* Draft intimation to the outside agencies (eg: stock exchanges)

**Clearance of Agenda :** After preparation of the draft Agenda, the Company Secretary, shall at least 7 days before the Board meeting, discuss with the Chairman and/or Whole-time Director, the specific Agenda items for the meeting.

The Whole-time Director determines the nature and the format in which information shall be provided regularly to the Directors before each scheduled Board meeting. Directors are encouraged to make suggestions for Agenda items, or additional pre-meeting materials.

Post internal clearance, the Notice and Agenda papers are circulated to the Directors, at least 7 days in advance. All material information will be incorporated in the Agenda to facilitate meaningful discussion at the meeting. Where details with respect to an item on the Agenda cannot be sent in advance due to confidentiality reasons, the same shall be placed on the table at the Board meeting with the prior approval of the Chairman. Reference to tabling of details at the meeting will be made in the corresponding Agenda item.

Any Board member including Independent Directors may request for inclusion of any matter in the Agenda for a particular Board meeting if he so desires. In the event such a suggestion is made, the particular item will be necessarily included in the Agenda. The Board members can send such requests 2 weeks in advance of the Board meeting. In the event of an urgency, the items could be considered, even if sent later, with the approval of the Chairman.

### **Board Presentations**

Materials on presentations proposed to be made at the meetings are sent to the Board members in advance to enable focused discussion on key issues. In case where the subject matter is price sensitive or otherwise confidential, the presentation is directly made at the meeting.

### **Guidelines for tabling of items at Board meetings**

Tabling of items at Board meetings is generally discouraged. Only in rare circumstances or for items of extreme confidential nature and where immediate decision is required, the senior management may table additional items for discussion with the permission of the Chairman.

### **Quorum, voting rights, manner of attendance and other procedures**

It is expected that each Director will make every effort to attend each Board meeting. Attendance in person is preferred but attendance by tele / video conference is permitted, if necessary. However, attendance by tele conference or attendance by video conference (without recording facility) is not counted for quorum purposes.

Each Director is expected to have carefully reviewed all materials distributed in advance of the meeting, be prepared to participate meaningfully in the meeting, and to discuss all scheduled items of business at the meeting. The proceedings and deliberations of the Board are confidential. Each Director will maintain the confidentiality of information received in connection with his or her service as a Director.

### **Recording of Dissent at Board Meetings**

The Directors are expected to actively participate in the discussions of the Board and express their free and frank opinion. If any Director expresses his dissent, he should be able to present his views at the Board and after discussions, the view of all the Directors including dissent, if any, should be recorded in the minutes.

### **Preparation of minutes, circulation and ratification**

Within 10 days after the Board meeting, the Secretarial department shall prepare draft minutes of the proceedings of the Board meeting and submit to the Chairman of the meeting for his approval.

The draft minutes shall then be circulated to all the Directors within 15 days of the meeting for their comments. Comments / suggestions received from the Directors will be appropriately incorporated. The final minutes shall thereafter be recorded in the minutes book within 30 days of the meeting.

The minutes shall be placed before the Board in the next meeting for noting and shall be duly signed.

### **Issuing certified copies of resolutions / minutes**

The Secretarial department shall issue certified copies of the resolutions passed or extracts of the minutes of Board meetings, as and when required by any other division to enable them to take appropriate steps in the matter.

## **P A R T VI**

### **CURRENT GOVERNANCE POLICIES**

The Board has framed the following policies relating to

- ❖ Code of Conduct & Ethics,
- ❖ Insider Trading regulations,
- ❖ Whistle Blower Policy

and other policies / guidelines applicable to certain processes and/or operations and these policies are reviewed from time to time. On need basis, the modifications to the said policies are approved and updated.

In addition, the Board may consider framing a policy on appointment of Statutory Auditors covering all aspects including their evaluation and independence, remuneration, etc., as per the criterion and guidelines in force.

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