

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

1. INTRODUCTION:

The role of Independent Directors is of paramount importance in the corporate world, particularly for safeguarding the interests of minority shareholders, stakeholders, and ensuring regulatory compliance. Independent Directors are expected to uphold the highest standards of integrity, probity, and governance, exercise objective and independent judgement, and contribute effectively to the Board's deliberations.

Given their critical role and the requirement to remain independent of management, it is imperative for the Company to adequately familiarize Independent Directors with its business, operations, management structure, and the regulatory environment.

This Familiarization Programme ("Programme") for Independent Directors of Aarti Surfactants Limited ("the Company") has been formulated in accordance with the provisions of Schedule IV (Section 149(8)) of the Companies Act, 2013 and Regulation 25(7) read with Regulation 46(2)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. OBJECTIVE OF THE PROGRAMME:

The objective of the Programme is to familiarize the Independent Directors with a comprehensive understanding of the Company's business and operational framework, industry environment and competitive landscape, management structure and key functions, as well as the applicable regulatory and compliance framework. The Programme is designed to enable the Independent Directors to effectively discharge their duties and responsibilities, contribute meaningfully to the deliberations of the Board and its Committees, exercise independent judgement in decision-making, and uphold the highest standards of corporate governance in the best interests of the Company and its stakeholders.

3. FAMILIARIZATION INITIATIVES AND FRAMEWORK:

The familiarization process for Independent Directors is an ongoing exercise and is primarily integrated with the meetings of the Board, Audit Committee, and Risk Management Committee. In addition, separate meetings of Independent Directors are organised to facilitate discussions on the performance of the Company and the Board, risks faced by the Company, competitive environment, business strategy, leadership strengths and areas of improvement, governance and compliance matters, and the Board evaluation process. These interactions enable Independent Directors to exchange valuable views and provide their suggestions to the Chairman and other Board Members.

Further, regular presentations are made to the Board and its Committees, providing Directors and Committee Members an opportunity to interact with the Senior Management Team, including the Statutory and Internal Auditors of the Company. Such

presentations, inter alia, cover the performance of various business segments, operating results, comparison of actual performance against budgets, management outlook, economic and industry developments, sectoral and regulatory updates, risk management practices, ESG and sustainability initiatives, cybersecurity, digitisation and technology developments, and other relevant matters. Independent Directors are also kept regularly informed of key developments relating to the Company and its units through periodic communications, including emails and reports.

The Audit Committee and Board Meetings, inter alia, include:

- a) Detailed presentations by the Chief Financial Officer, providing Independent Directors with insights into the financial performance, strategy, and operations of the Company and its subsidiary;
- b) Presentations on regulatory and compliance updates relating to the Company.
- c) Quarterly presentations by the Statutory Auditors on their reports;
- d) Discussions on Internal Audit Reports of various units of the Company;
- e) Discussions on sustainability matters, including Environment, Health and Safety (EHS), climate change, and ESG targets;
- f) Discussions on matters arising under the Whistle Blower Policy; and
- g) Discussions on compliance with the Prevention of Sexual Harassment (POSH) Policy.

Summary of Familiarization programme of Independent Directors:

Particulars	During the year 2025 - 2026	Cumulative till date
Number of programmes attended by Independent Directors (during the year and on a cumulative basis till date)	4	10
Number of hours spent by Independent Directors in such programmes (during the year and on cumulative basis till date)	18 hrs	32 hrs

During the year 2025 – 2026, various presentations were made by the Management wherein Independent Directors were briefed about the plant operation systems, safety measures, process of manufacturing of products, ESG, Sustainability and CSR initiatives taken by the Company.

The Independent Directors have full and unrestricted access to all relevant information pertaining to the Company.

4. INDUCTION AND ONBOARDING OF NEW DIRECTORS:

A new Director is inducted onto the Board of the Company through a formal letter of appointment, which sets out the terms and conditions of appointment, including the role, functions, duties, rights, remuneration, and evaluation criteria. At the time of appointment,

Independent Directors are also provided with key documents and information to facilitate a comprehensive understanding of the Company, including a brief corporate profile, organisational structure, history and milestones, Memorandum and Articles of Association, profiles of the Board of Directors and Senior Management Personnel, details of various Board Committees, the Code of Conduct for Directors, the Code of Conduct for trading in listed securities of the Company, Annual Reports, investor presentations, and various policies and charters adopted by the Board.

In addition to the above, factory visits are arranged wherein the Management apprises the Directors of the various operational and safety aspects of the plant, thereby providing them with a comprehensive understanding of the Company's activities.

5. STRUCTURED ORIENTATION MODULE:

Particulars	Responsibility
Business overview, Corporate Plan	Chief Financial Officer
Board meeting Process	Company Secretary
Statutory Compliances as a Board member as per Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc.	Company Secretary
Visit to Unit/ Plant	Management

The Company ensures that adequate mechanisms are in place to enable Directors to remain familiar with their roles, rights, and responsibilities, the nature of the industry in which the Company operates, and to stay continuously updated on the state of the Company's affairs and industry developments.

6. REVIEW AND UPDATION:

The Programme shall be reviewed periodically by the Company, and necessary modifications may be made, as and when required, to ensure its continued relevance and effectiveness.

7. DISCLOSURE REQUIREMENT:

The Familiarization Programme shall be disclosed on the Company's website at www.aarti-surfactants.com and a web link thereto will be provided in the Annual Report.