

DIRECTOR'S TRAINING DOCUMENT

SJVN Limited

1. *Need for a Training Policy for Board of Directors*

The transformation and growth of SJVN is expected to continue throughout the short to medium term future and clearly all employees, especially the Board of Directors have a vital part to play in meeting our key business objectives. Training and development is thus given great importance across all levels. SJVN believes that the Board of Directors, which is the highest level in the organization, too requires training and development in order to update themselves and take the best decisions for the company.

SJVN is governed by guidelines for Corporate Governance issued by DPE. Accordingly it is required to adhere to various corporate governance benchmarks / targets specified by DPE and to report the same to the administrative Ministry i.e. Ministry of Power on quarterly basis in form of a Grading Report in prescribed format.

The aforesaid Grading Report is used not only for evaluation and grading of CPSEs in terms of Compliance with Corporate Governance Norms but also forms the basis for Corporate Governance Targets under MOU and has been compulsorily included in MOUs of all CPSEs from FY 2012-13 onwards. One of the targets under DPE guidelines as well as MOU targets is regarding the training of Directors and requires that the company should have a policy for Training of Directors approved by the Board.

2. *Objective of the Training Policy for the Board of Directors*

The term 'Training' includes a training program, seminar, convention, workshop, symposium, presentation, higher education, training/ certificate courses or any other structured learning or developmental program, based on organizational needs and/or Training Need Identification process.

The training policy will give a clear direction for planning and implementation of training programs. This will also ensure that adequate importance is given to training in the organization.

This training policy for the directors has the following objectives:

- Empower and equip the board with skills and attitudes required to perform their challenging tasks and play their role in a transparent, objective and ethical manner as per the best corporate governance practices.

- Promoting better understanding of professional requirements as well as sensitization to professional, socio-economic and political environment in which work is done.
- Promoting an environment conducive to learning and development by serving as a role model for all the other employees in the corporation.

3. COVERAGE

The Training System shall cover Whole Time, Part Time and Independent Directors.

4. DEFINITIONS

- 4.1 Training:** Activities designated to facilitate the learning, development and competence of new and existing skill and to improve the performance of specific task or roles and include a training program, seminar, convention, workshop, symposium or any other structured learning or developmental program, based on organizational needs and/or Training Need Analysis.
- 4.2 Training Year:** Training Year shall mean financial year, a period of one year commencing from 1st April till 31st March of the subsequent year.
- 4.3 In-house Training Program:** A training program designed, developed and conducted within the Company, with or without the assistance of external agency (ies).
- 4.4 External Training Program:** A training program designed, developed and conducted within India, by an outside agency.
- 4.5 Specified Intervention:** An external training program or an in-house training program other than a Planned Intervention or a Need-based Program, conducted to improve certain specified competencies, as felt necessary by the organization.
- 4.6 Training Budget**
SJVN shall allocate adequate funds to the training and development activities of the organization.
- 4.7 Feedback**
A mechanism to evaluate the effectiveness of training programs is essential. A feedback form needs to be developed to capture the responses of the members of the Board. The Board of Directors undergoing a particular training should send the feedback on the efficacy of training at the workplace for further improvement of the programs. The benefits should be evaluated and program content or inclusion of the program in the training plan should be modified based on the inputs.

5. DPE Guidelines and Listing Agreement on Training of Directors

5.1 DPE Guidelines:

The guidelines on Corporate Governance for Central Public Sector enterprises 2010, issued by GOI, Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises provides with regard to Training of Directors as under:

Clause 3.7 Training of Directors

The company concerned shall undertake training program for its new Board members (Functional, Government, Nominee and Independent) in the business model of the company including risk profile of the business of company, responsibility of respective Directors and the manner in which such responsibilities are to be discharged. They shall also be imparted training on Corporate Governance, Model code of business ethics and conduct applicable for the respective Directors.

5.2 Listing Agreement:

Further, the Non-Mandatory Requirements as per Annexure I D to clause 49 of the Listing Agreement with the Stock Exchanges provides with regard to Training of Directors as under:

Training of Board Members

A company may train its Board members in the business model of the company as well as the risk profile of the business parameters of the company, their responsibilities as directors, and the best way to discharge them.

6. Training Structure

The Board of Directors in SJVN consists of senior personnel, who can be full time directors, part time directors, independent directors, representatives of Govt. of India and Govt. of Himachal Pradesh.

The training requirements across the board may differ with respect to their nomination into the Board and duration spent in the Board and hence, their training needs to be structured accordingly.

6.1 Training Design

The training to the various categories of directors shall be provided as follows:

a. Induction/ Orientation Training:

- i. **For New Board Members:** The endeavor will be to provide training within three months of the appointment of the new Director for a minimum period of three days.

- ii. **For Independent Directors:** The endeavor will be to provide familiarization training within 3 months of the appointment, to 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 programs.
 - iii. With the view to familiarize the Directors with the rules and regulations of SJVN, the following documents shall be provided to the Board of Directors on their induction:
 - Memorandum & Articles of Association of the Company.
 - Annual Report of the Company for the last three years
 - Code of conduct for prohibition of Insider Trading in dealing with shares of SJVN Ltd.
 - Code of conduct for Board Members and Senior Management Official
 - Any other related document
- b. **General Training:** This training shall be provided by experts / renowned institutes in the industry and shall be mandatory for all Board of Directors.
- i. As a good measure of ongoing training Directors shall be updated on all matters pertaining to the business like Industry Overview, Marketing, Finance, Legislation, Technical, HR, Risk Assessment, CSR and Research and Development etc.
 - ii. The training shall also include content to enable the Board to get an overall view of the Company, its Business Model, Projects, Risk Profile, and Responsibilities etc.
 - iii. This training shall be updated every year to include latest changes in the local and global market scenario **including those pertaining to statutes/ legislation and economic environment.**
 - iv. The Board of Directors shall also be provided with information about the company's performance in different arenas on a regular basis.
- c. **Specific Training:** At times, SJVN may feel the need for training related to a specific requirement. Also, need based training may be provided on various matters. This training shall be provided by definite institutions that specialize in the particular training.

The company will look at the various training requirements of the Directors based on input received by the Board themselves. It will also look into available trainings in the market in the form of seminars, conferences etc, in order to update the directors on various issues and help them perform their role as decision makers better.

The company may engage specialists in various areas to provide information on various topics of interest.

6.2 Arrangement of Training Programs

The training programs may be arranged in the company's premises or maybe based in the location of the institution organizing the training or at any other location.

In the case of arrangement of customized training programs for the Board of Directors, the training department should take the responsibility of organizing the training after ensuring the availability of the Board members. **In case it is not possible to ensure availability of all the Board Members on the planned training date efforts shall be made for alternate programs for the left over Members.**

6.3 Period of Training

The minimum period of training shall be **seven days** training to all members of the Board of Directors every year depending upon the nature of training. **The training could be in more than one spell aggregating to minimum seven days.**

However, the duration of training may get extended as per the context and content of the training programs.

6.4 Interpretation of Rules

In case of doubt regarding the interpretation of these Rules or implementation, the decision of Director (P) will be final.

6.5 Training Infrastructure

It is the responsibility of the training department to ensure that the required infrastructure for the training is available at the time of the training.
