



**CODE AND FAMILIARIZATION
PROGRAMME FOR
INDEPENDENT DIRECTORS.**

**WINDSOR
MACHINES
LIMITED**

[CIN: L99999MH1963PLC012642]

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CODE FOR INDEPENDENT DIRECTORS

This Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. GUIDELINES OF PROFESSIONAL CONDUCT:

An Independent Director shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his duties;
- exercise his responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 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;
- 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;
- refrain from any action that would lead to loss of his independence;
- where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices.

II. ROLE AND FUNCTIONS:

The role of the Board is to effectively represent and promote the interest of shareholders and all other stakeholders with a view to adding long-term value to the Company's shares. Having regard to its role, the Board directs and supervises the management of the business and affairs of the Company. The Directors shall comply with the guidelines of professional conduct, role, functions and duties as an Independent Director provided in Schedule-IV of the Companies Act, 2013.

They shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and Regulation 25 of SEBI (LODR) Regulations, 2015.

The Independent Directors shall:

- 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;
- bring an objective view in the evaluation of the performance of Board and management;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- 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;
- 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 –

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;

- strive to attend the general meetings of the company;
- 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;
- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- not disclose either during his appointment or following termination (by whatever means) 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;
- disclose the concern or interest u/s 184 of the Companies Act, 2013 and the rules made thereunder in any Company or Companies or bodies corporate (including shareholding interest), firms or other association of individuals, by giving a notice in writing in Form MBP-1;
- Adherence to Security Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 and the Code of Conduct for prevention of Insider trading, prohibiting disclosure or use of unpublished price sensitive information; and
- Any other duties as specified in the Companies Act, 2013 and its allied rules and regulations and SEBI (LODR) Regulations, 2015 and Other applicable SEBI Rules & Regulations.

IV. MANNER OF APPOINTMENT:

- 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.
- The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 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 thereunder and that the proposed director is independent of the management.
- The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
 - the term of appointment;
 - 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;
 - the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - provision for Directors and Officers (D and O) insurance, if any;
 - the Code of Business Ethics that the company expects its directors and employees to follow; and
 - As Independent Directors, they will not be liable to retire by rotation.
- the list of actions that a director should not do while functioning as such in the company.
- the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 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.
- 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 of by the Nomination and Remuneration Committee of the Board and the Board itself.

VI. RESIGNATION OR REMOVAL:

- 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.
- 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.
- 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.
- He may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later. Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act, 2013 and the rules made thereunder.

VII. SEPARATE MEETINGS:

- 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;
- All the independent directors of the company shall strive to be present at such meeting;
- The meeting shall:
 - review the performance of non-independent directors and the Board as a whole;
 - review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - 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:

- The performance evaluation of independent directors shall be done by the entire Board of directors annually, excluding the director being evaluated.
- 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.

IX. REMUNERATION

As an Independent Director shall be paid sitting fees for attending the meetings of the Board and the Committees, of which you are a member, as fixed by the Board from time to time within the limit as per Companies Act, 2013 and the rules made thereunder.

The sitting fees, as approved by the Board, are as follows: -

Board	:	Rs. 60,000/- Per Meeting
Audit Committee	:	Rs. 50,000/-Per Meeting

In addition to the sitting fees, profit related commission may also be payable to you if approved by the Company in accordance with law. In determining the amount of this commission, the Nomination and Remuneration Committee may consider various factors as disclosed in the remuneration policy forming part of the Board's report. An indicative list of the factors that may be considered are as follows:

- Attendance at Board meetings,
- Attendance at Board Committee meetings, Chairmanship of the Board,
- Chairmanship of Board Committees,
- Contribution at Board and Committee meetings,
- Guidance and support provided to senior management of the Company outside of Board meetings,
- Industry practices,
- Performance evaluation and Performance of the Company.
- Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

FAMILIARIZATION PROGRAMME

The regulation 25(7) of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 (“LODR Regulations”), read with Schedule IV of the Companies Act, 2013 mandates the Company to familiarize the Independent Directors with the Company, their roles, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes.

The Independent Directors of the Company are given every opportunity to familiarize themselves with the Company, its management and its operations so as to understand the Company, its operations, business, industry and environment in which it functions.

1. OBJECTIVE:

The programme aims to provide insight into the Company to enable the Independent Directors to understand its business and operations in depth and contribute significantly to the growth of the Company.

2. PROCESS:

- ✓ The Company shall through its Executive Directors/Senior Managerial Personnel conduct programs/presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company;
- ✓ Such programs/presentations will provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company’s strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time;
- ✓ The programs/presentations shall also familiarize the Independent Directors with their roles, rights and responsibilities at the time of their appointment / re-appointment through a formal letter of appointment which also stipulates the various terms and conditions of their engagement.
- ✓ The Company may circulate news and articles related to the industry on a regular basis and may provide specific regulatory updates from time to time; and
- ✓ The Company may conduct an introductory familiarization program/presentation, when a new Independent Director comes on the Board of the Company to discuss the functioning of the Board and the nature of the operation of the Company’s business activities.

3. FAMILIARIZATION PROGRAMME:

This programme will be conducted on “need-basis” during the year. The Company also issues appointment letter to the Independent Directors which also incorporates their role, Duties & responsibilities.

INITIATIVES FOR INDUCTION ON JOINING THE BOARD OF THE COMPANY

- The New Director will be welcomed to the Board of the Company by sharing the following documents of the Company for his / her references:
- Formal letter of appointment as Director of the Company
- Memorandum of Association and Articles of Association of the Company
- Annual Reports of last three consecutive years
- Criteria of Independence applicable to Independent Directors as per Regulation 16 of (LODR) Regulations, 2015 and Companies Act, 2013
- Code of Conduct for Directors and Senior Managerial Personnel
- Code of Internal Procedures and Conduct for Prevention of Insider Trading
- Note on Directors roles, functions, duties, responsibilities and liabilities of Independent Directors under the Companies Act, 2013 and Regulation 25 of (LODR) Regulations, 2015
- Policy Handbook of the Company comprising of policies on various business aspects and practices
- Organizational Chart of the Company and the profile of all the Directors and the Senior Managerial Personnel of the Company
- List of Contact details of the Directors, Senior Managerial Personnel and their personal / executive assistants.
- Publicity material of the Company that explains the range of products, services and solutions offered by the Company to its clients
- Board evaluation process and procedures

FAMILIARIZATION AND CONTINUING EDUCATION PROCESS

The Company through its Managing Director / Executive Director / Key Managerial Personnel will conduct programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

- Such programmes /presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
- The programmes/presentations also familiarises the Independent Directors with their roles, rights and responsibilities.
- When a new Independent Director comes on the Board of the Company, a meeting will be arranged with the Managing Director & Group CEO, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.

OTHER INITIATIVES TO UPDATE THE DIRECTORS ON A CONTINUING BASIS

- The Directors will get an opportunity to visit Company's plants, where plant heads apprise them of the operational and sustainability aspects of the plants to enable them to have full understanding on the activities of the Company and initiatives taken on safety, quality, CSR, Sustainability etc.
- At various Board meetings during the year, presentations to be made to the Board on safety, health and environment and sustainability issue, risk management, CSR activities, Company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, business excellence with areas of improvement and other relevant issue.
- Quarterly presentations on operations to be made to the Board include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.
- Quarterly results of the Company are sent to the Directors.
- The Company circulates news and articles related to the industry on a regular basis and provides specific regulatory updates from time to time to the Directors.

6. DISCLOSURE OF THE POLICY:

This policy shall be uploaded on the Company's website for public information and a web link for the same shall also be provided in the Annual Report of the Company.

- Familiarization programme will be conducted "as needed" basis during the year.
- As and when familiarization programme is conducted, the same will be disclosed on the website of the Company.

7. REVIEW / AMENDMENT OF THE PROGRAMME:

The Nomination and Remuneration Committee shall monitor and periodically review the familiarisation programme and approve changes, if any.

the Board of Directors and Company Secretary are jointly authorised to amend this programme to give effect to any changes/amendments notified by the Ministry of Corporate Affairs or SEBI. The amended programme shall be placed before the Nomination and Remuneration Committee for noting and ratification.
