

NATIONAL FERTILIZERS LIMITED

(A Government of India Enterprise)
Registered Office: SCOPE COMPLEX CORE-III,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI- 110003
CIN NO: L74899DL1974GOI007417

TRAINING POLICY FOR BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs).

1.PREAMBLE

NATIONAL FERTILIZERS LIMITED (NFL), a schedule 'A' & a Mini Ratna (Category-1) Company under the administrative control of Ministry of Chemicals & Fertilizers, Department of Fertilizers.

NFL strongly believes in continuous learning. Training and Development is given utmost importance at all levels in the Company. Government initiatives mandate conduct of affairs of Public Sector Enterprises in a fair and transparent manner with highest standards of professionalism and ethical behaviour. The Board of Directors and Key Managerial Personnel" (KMPs) at the highest level in the organization structure also require training and development. Training to Directors (Functional, Government Nominee and Independent Directors) on their joining the NFL 'Board' will be purposeful to meet out the following objectives:

- 1.1 To facilitate the understanding of the business and industry in which the company operates, risk profile and business model of the company, etc.
- 1.2 To familiarize all the new directors with their powers, functions role, rights, responsibilities, duties and functions in the governance of the company.
- 1.3 To make them aware about the corporate governance, business Ethics, Code of Conduct, Code of Internal Procedures and Conduct for Prohibition of Insider Trading in dealing with the securities of Company, etc with which they are required to comply with.
- 1.4 To maximize the level and degree of contribution at the meetings of Board and Committees, to gain insights into best practices in the functioning of Boards and its Committees.
- 1.5 To foster a spirit of independent thinking to enable them to take informed and impartial decisions at the meetings.
- 1.6 To update knowledge on the developments in Corporate Governance in the context of DPE's guidelines/Govt. Initiatives/SEBI/Companies Act.
- 1.7 To build up leadership qualities and providing a platform to shared knowledge, skills and experience gained to and by the directors.

2. Definitions: Unless the context otherwise requires, following are the definitions of the certain terms used in this policy.

- 2.1 "Company"** means NATIONAL FERTILIZERS LIMITED.
- 2.2 "Director"** means a Member on the Board of Directors of the Company;
- 2.3** The term **"Board"** or **"Board of Directors"** in relation to a company, means the collective body of the directors of the company;
- 2.4** The term **"Board Members"** shall mean the Members on the Board of Directors of the Company.
- 2.5** The term **"Whole-time Directors"** shall mean the Board Members who are in the whole-time employment of the Company.
- 2.6** The term **"Non-Whole-time Directors"** shall mean the Board Members who are Part-time Directors and not in whole time employment of the company.
- 2.7 "Independent Director"** shall mean a director as defined under the Companies Act.
- 2.8 "Nominee Director"** Explanation to section 149(7) of Companies Act, 2013 defines "nominee director" means a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests. Nominee Director shall not be deemed to be independent director as per section 149(6).
- 2.9 "Chief Financial Officer"** means a person appointed as the Chief Financial Officer of the company;
- 3.0 "Company Secretary" or "Secretary"** means a company secretary as defined in clause (c) of sub-section (1) of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by the company to perform the functions of the company secretary under Companies Act, 2013;
- 3.1 "Key managerial personnel" (KMPs),** in relation to the Company, means—
- (i) the Chairman & Managing Director;
 - (ii) the Chief Financial Officer
 - (iii) the Company Secretary

(iv) the Whole-Time Director;

(v) Such other officer as may be prescribed by rules made under the Companies Act, 2013.

3. DPE GUIDELINES AND LISTING AGREEMENT ON TRAINING OF DIRECTORS

3.1 The Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, issued by Government of India, 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 programme for its new Board members (Functional, Government, Nominee and Independent) in the business model of the company including risk profile of the business of the 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 respective Directors.

4. Listing Agreement:

Securities and Exchange Board of India (SEBI) vide its circular dated 15 September, 2014 amended the clause No. 49(II)(B)(7) of Equity Listing Agreement. As per amended clause with effect from October 01, 2014 the Company shall provide suitable training to Independent Directors to familiarize them with the Company.

5. Training requirement

In the light of the varied profile of the Directors of the Board as indicated above, the training requirement of the directors shall also vary. Accordingly NFL shall have two – tier training policy for the directors as under:

1. Internal Training
2. External Training

6. Internal Training:-

6.1 Familiarization Programme

6.1.1 For new Board members

The Endeavour will be to provide training (including familiarisation through presentations, discussions, written/printed material etc.) (within India) within three months of the appointment of the new director for a minimum period of three days.

6.1.2 Programme module for new Board Members/KMPs

(I) Company information module:-

- Company Profile and background
- Vision, Mission, Objective
- Strategy/Business Plan
- Memorandum and Article of association of the Company
- Annual report of the Company for the last 3 years
- current performance of the business (key performance indicators, MoU for the current financial year
- Fertilizer sector scenario and Applicable Acts & Laws
- Details of existing and ongoing projects
- Details of JV's , Subsidiary Companies and Associate Companies
- Organization structure
- Processes, Systems (DOP)
- Current issue and challenges
- Commercial issues – Fixation of tariff by CERC
- Risk management and Minimization practices and procedures
- Safety snapshot
- Plant operation
- Technical aspects
- Code of conduct for Board members and senior management personnel
- Code of Internal procedures and conduct for Prohibition of Insider Trading in dealing with Securities of the Company etc.

(II) Board practices/Corporate Governance Module:-

- Role, Responsibilities and duties of Functional, Independent and Government nominee Director's with respect to Board and Committee meetings.
- Written material at the meeting of the Board of Directors and meeting of Committee of Directors.

(III) Overview about the Production, Marketing and other Business verticals

(IV) Overview of International Business

(V) Overview of Financial Position/Operation

(VI) Overview of HR Management/Human Capital

(VII) Visit to Manufacturing Units

7. NEED BASED EXTERNAL TRAINING

7.1 For Existing Board Members

The endeavor shall be made to provide training (within India) for minimum period of three days once in every two years. The Directors shall be nominated by the Company to external training programmes on Corporate Governance and other relevant programmes from time to time, as may be organized by any Institute/Professional Bodies of repute in India .

Top Team Retreat for functional Directors/KMPs may be conducted in the following areas:

S.No.	PROGRAMME MODULE
Core Areas	
1.	Applicable Acts & Laws
2.	Enterprise Risk Management
3.	Sustainability Issues
4.	Corporate Governance & Ethics
5.	Role of Directors in guiding various function of the Company
6.	Industry update and changes in various regulations and laws
7.	Greater oversight and higher level of financial and accounting expertise
8.	Changes in Economic scenario of India vis-a-vis global trends
Other Areas	
1.	Emotional Intelligence in management and Leadership
2.	Meeting investors expectations for improved financial reporting and disclosures
3.	Handling difficult people and situations – Resolving conflicts
4.	Networking and representing the organization
5.	Strategic planning and thinking – turning the vision into reality
6.	Leadership Ability
7.	Yoga and Meditation
8.	The Art of Living

At the convenience of the part-time non-official Directors, Government Nominees and Functional Directors/KMPs, they shall be nominated for such trainings, seminars, conferences, conventions on relevant areas which shall enhance their knowledge on Corporate Governance, model code of business ethics and conduct, their responsibilities as directors, and the best ways to discharge them organized by premium institutions such as:

- Institute of Directors (IOD),
- Standing Conference of Public Enterprises (SCOPE),
- Ministry of Corporate Affairs (MCA),
- Department of Public Enterprises (DPE),
- Indian Institutes of Management (IIMs),
- Institute of Company Secretaries of India (ICSI),
- Institute of Chartered Accountants of India (ICAI)
- The Institute of Cost Accountant of India
- Institute of Public Enterprise (IPE),
- Indian Institute of Science (IISc),
- Indian Institutes of Technology (IITs)

-Any other leading institutions on matters covering Corporate Governance, business ethics and conduct, Director's duties & responsibilities , leadership excellence, Creating high performing organizations, International business, Strategies for growth, Competitive performance , Board room practices, Risk Management & Risk Mitigation, Sustainability Development, Corporate Social Responsibility etc.

8. Frequency of Training Programmes:-

8.1 Company will endeavor to conduct the training programme for New Director: a minimum period of 3 days

To other Directors: Once in every two years depending upon the availability of time schedule with Directors.

8.2 In order to avail maximum benefit from the investment in the training/ orientation of Directors, efforts will be made to arrange the training well in time before retirement etc. of Directors`

9. Framework:-

Experts from Industry and reputed consulting agencies may also be engaged to acquaint and guide the Directors on Business Plan, challenges before the Fertilizer Sector and company, Strategy etc.

Company Information and acquaintance shall be provided by Senior Executives of NFL.

10. Budget:-

All expenditure incurred on Training Programme for Board Members will be borne by NFL. TA/DA for attending training programmes shall be same as payable under the rules of the Company.

11. Review of Training Policy :-

The training policy will be reviewed every two years.
