



ONGC VIDESH LIMITED New Delhi

POLICY FOR TRAINING OF DIRECTORS

1.0 INTRODUCTION

In terms of clause 12B and 12C(a) of the Articles of Association of the Company, the President of India has the powers to appoint Managing Director (MD) and Functional Directors of the company so long as the Government and/or the Oil and Natural Gas Corporation Ltd. (ONGC) hold 51% or more of the paid up equity share capital of the company. As per clause 11 of the Articles of Association of the Company, ONGC shall have power to appoint the Chairman and all the Directors in the company, except those to be appointed by President of India.

2.0 METHOD OF APPOINTMENT

- 2.1 Functional Directors including MD** – After a vacancy is notified by the Company, the Public Enterprise Selection Board invites application from suitable candidates in line with Job Description and Qualification criteria through the administrative Ministry and after interview, the name of the selected candidate(s) is sent for approval through the Appointments Cabinet Committee (ACC) and the incumbent is accordingly appointed and takes over charge after issue of the orders by the Government of India. Necessary formalities for their induction are thereafter taken up as per the Companies Act, 1956.
- 2.2 Government Nominees** – The designated Joint Secretary (International Cooperation), Ministry of Petroleum & Natural Gas and Joint Secretary (Department of Economic Affairs), Ministry of Finance are generally nominated by the Government of India as the Nominee Directors of the Government of India on the Board of OVL. Necessary formalities for their induction are thereafter taken up as per the Companies Act, 1956.
- 2.3 Part-Time Non-official Directors (Independent Directors)** – A Search Committee constituted by the Government of India recommends the names of eminent professionals to the ACC and after approval thereof, necessary instructions are issued by MoP&NG to OVL. Necessary formalities for their induction are thereafter taken up as per the Companies Act, 1956.

3.0 COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors has an adequate combination of Executive (Functional) and Non-executive Directors. The company at present has a strength of 4 (four) Functional Directors including Managing Director, 2 (two) Government Nominees and 1 (one) Part-Time Non-Official Director (Independent Director) apart from Chairman, who is CMD of ONGC. The number of the incumbents in each category may vary according to the vacancy at any point of time. The appointment of requisite number of Independent Directors as per DPE guidelines is under consideration of MoP&NG.

4.0 BACKGROUND OF THE BOARD MEMBERS

The Functional Directors appointed by the Government of India are, generally, senior level executives of ONGC/OVL who have professional qualifications not only in their core area of functioning but also have vast experience in the business model of the Company. The nominees of the Government of India are professionally qualified senior bureaucrats having wealth of experience in various fields. The part-time non-official Directors are eminent personalities having wide experience in the field of business, education, industry, commerce and administration.

5.0 TRAINING OF DIRECTORS

- 5.1 The Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India with regard to Training of Directors provide under:

Para 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 the respective Directors.

- 5.2 Further, in terms of Non-Mandatory Requirements as per Annexure 1 D to Clause 49 of the Listing Agreements with the Stock Exchanges it is provided 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 ways to discharge them.

6.0 TRAINING POLICY OF DIRECTORS

OVL shall have a three tier training policy for the Directors.

6.1 INDUCTION TRAINING – OVL

- 6.1.1 With a view to familiarize the Directors with the rules and regulations of OVL, the following documents shall be provided to the Board of Directors on their induction:

- (i) Memorandum & Articles of Association of the Company.
- (ii) Latest Annual Report of the Company.
- (iii) Code of Conduct for Board Members and Senior Management Officials.
- (iv) Any other related documents.

- 6.1.2 Immediately on induction of the part-time non-official Directors and Government Nominees by the Government of India, a detailed presentation on the various business model, risk profile, performance, plans etc. of OVL shall be made. There shall be an induction training for the Directors appointed on the Board of OVL for the first time.

- 6.1.3 At the convenience of the part-time non-official Directors and Government nominees, a visit to the offshore installation of ONGC shall be arranged to familiarise them with the frontline operational environment. Similarly, a visit to the Onshore work site and/or Hazira and/or Uran plant etc. shall also be arranged to apprise them of the production facilities etc.

6.2 EXTERNAL TRAINING

At the convenience of the part-time non-official Directors, Government Nominees and Functional Directors, they shall be nominated for such trainings, seminars, conferences, conventions etc. 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.

6.3 BOARD PRESENTATION

With a view to ensure that the Directors have better understanding of the various proposals placed before them, detailed Agenda Items with explanatory notes shall be circulated among the Board members well in advance. Further, soft copies of the agenda items shall be sent to the designated email IDs of the Directors. Wherever possible, detailed presentations in respect of the Agenda Items, shall be arranged before the Board of Directors/Committee of Directors to enable them to arrive at an informed decision regarding the agenda item placed for deliberation / consideration.