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Familiarisation Programme for Independent Directors

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Familiarisation Programme for Independent Directors

1. Preamble

The provisions of Schedule IV of the Companies Act, 2013 and Clause 49(I)(D)(3)(d) and 49(II)(B)(7) of the Listing Agreement, inter alia, stipulates that the company shall familiarise 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 programmes. The Board of Directors is further encouraged to continue the training sessions to ensure that the Board members are kept up to date.

2. Objective and Purpose

The familiarisation programme for Independent Directors of the Company shall be conducted so as to familiarise them 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. The programme aims to help the Independent Directors understand and get updated on the business and operations of the Company on a continuous basis and contribute significantly to the Company.

3. Overview of the Familiarisation Programme

The Company has been taking various initiatives since past for the members of its Board to get updated on the business and operations of the Company and familiarise themselves with the industry in which it operates. The independent directors were provided an overview of;

1. Criteria of independence applicable to Independent Directors as per clause 49 of the Listing Agreement on Corporate Governance and the Companies Act, 2013;
2. Compliance Personnel/Achievers, on whom reliance can be placed by the Independent Directors;
3. Time allocation by the Independent Directors on financial controls, overseeing systems of risk management, financial management compliance, Corporate Social Responsibility, Stakeholders conflicts, Board effectiveness, strategic direction, Meetings and performance assessment;
4. Roles, functions, Duties, Responsibilities and liabilities of Independent Directors;
5. Directors Responsibility Statement forming part of Boards' Report;
6. Vigil Mechanism including policy formulation, disclosures, code for Independent Directors, Fraud response plan, obtaining Audit Committee approval, wherever required;
7. Risk Management systems & framework;
8. Board evaluation process and procedures;
9. Dealing with Related party transactions under the Companies Act, 2013 and the Listing Agreement;
10. Internal Financial Controls and

11. Loans and Investments under the Companies Act, 2013.

The Company facilitates the members of its Board to familiarise themselves with the industry and its operations. The Company follows a structured orientation and training programme for the Independent Directors to help them get a deep understanding of the company's operations, policies, its stakeholders, senior management team, risks profile and growth opportunities. Details of various familiarisation programmes for Independent Directors are highlighted below:-

A. Induction on joining the Board of Directors of the Company:

Conducting introductory programme and sharing of the following documents with the new Director of the Company for his / her references:

- Memorandum of Association and Articles of Association of the Company
- Annual Reports of last three consecutive years
- Code of Conduct for Directors and Senior Managerial Personnel
- Note on Directors roles and responsibilities
- 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.
- Material of the Company that explains the nature of products, production process, etc.
- Note on the budget of the Company for the particular Financial Year

B. Process of familiarisation followed by the Company on a continuous basis

- i. All the Independent Directors are made aware of their roles and responsibilities at the time of appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.
- ii. The members of the Management team make presentations to the Independent Directors which *inter alia* covers the industry scenario, strategic priorities for the Company and the business model of the Company.

C. Knowledge Transfer Sessions from time to time

- i. The Company management to organise presentations to the Independent Directors to apprise them of key changes in regulations impacting the Company or the functioning, roles and responsibilities of the Board members especially relating to the following:-
 - Roles, rights, responsibilities in the Company on the changes in backdrop of Companies Act and Listing Agreement.
 - Updates on relevant statutory changes on laws concerning the Company.

- Updates on Related Party Transactions and their rationale, pending Litigations, various Policies and Standard Operating Procedures of the Company, Entity Level Risk, Risk Mitigation Plans, etc.

4. Programme Disclosure

Familiarisation programme will be conducted “as needed” basis during the Year. As and when the Familiarisation Programme for Independent Directors is conducted, the same will be disclosed on the website (www.bajajhindusthan.com) of the Company and a web link thereto shall also be provided in the Annual Report.

5. Review

The Familiarisation Programme for the Independent Directors will be reviewed from time to time and revised as required.
