

<b>BONFIGLIOLI TRANSMISSIONS LIMITED</b>	<b>Version No.</b>	01
<b>CIN: U29309TN1998PLC040717</b>	<b>Prepared by</b>	Secretarial Department
<b>Registered Office:</b> Plot No. AC7-AC11, SIDCO Industrial Estate, Thirumudivakkam, Kancheepuram, Kancheepuram, Tamil Nadu, India, 600132	<b>Effective date</b>	February 5, 2026
	<b>Last Amendment on</b>	-

## POLICY ON FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Familiarization Program (“**the Program**”) for Independent Directors of Bonfiglioli Transmissions Limited (“**the Company**”) has been adopted by the Board of Directors pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**SEBI Listing Regulations**”) and other applicable provisions (including any statutory enactments / amendments thereof).

### 1. Purpose

The program formulated with the objective of making the independent directors of the Company accustomed to their roles and responsibilities is divided into various modules with emphasis on:

- a. Roles, rights and responsibilities - board dynamics & functions
- b. Strategy, operations and functions of the Company

The Program has been designed considering the specific needs of contemporary corporate governance and the expected obligations of independent directors in view of the onerous responsibility conferred by the Companies Act, 2013 and the SEBI Listing Regulations as amended from time to time.

### 2. Familiarization 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. The Company ensures that independent directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and the business model of the Company.

The program essentially has two broad components – technical and behavioural.

- i. The technical component shall enable the participants to understand Company business, strategies, industry dynamics and its growth plans and prepare them for an active role in the Company.
- ii. The behavioural component shall empower the participants to understand board procedures and help them to be effective in board activities.

The Program also aims to offer a conceptual framework based upon current expectations which require the independent directors of the Company to adhere to a code and standard of ethics and integrity for fulfillment of their responsibilities in a professional and faithful manner to promote confidence of the investment community particularly minority shareholders, regulatory authorities and the stakeholders at large.

The program shall be conducted in such manner as to facilitate and convenience the independent directors and enable them to attend the same in view of their busy schedules.

The Company shall maintain a web link where details of familiarization program imparted to independent directors is disclosed. 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 directors of the company. At the time of induction, the independent directors are provided with an overview of:

- i. Introduction, Company history and genesis;
- ii. Criteria of independence applicable to Independent Directors as per Regulation 16 of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013;
- iii. Overview of the Company operations comprising details of the Company's service business units and business model, clientele and functional service offerings;
- iv. Key financial highlights;
- v. Details of the group (comprising the subsidiaries, joint ventures and associate companies);
- vi. Board and committees of the Board, their operations, charter and functioning;
- vii. Key management personnel details;
- viii. Highlights of the human resource ("HR"), quality and innovation functions;
- ix. Corporate governance practices, processes and procedures, including Board and committee functioning;
- x. Corporate social responsibility initiatives;
- xi. Business responsibility initiatives of the Company;
- xii. Risk management systems and framework;
- xiii. Vigil mechanism /whistle blower policy including policy formulation, disclosures, code of conduct for independent directors, code of conduct for directors etc.;
- xiv. Financial controls, financial management, Board effectiveness, meetings and performance assessment;
- xv. Roles, functions, duties, responsibilities and liabilities of independent directors;
- xvi. Directors responsibility statement forming part of Boards' report.

The training sessions/ presentations/ programmes provide an opportunity to the independent directors to understand the business strategies, business models, organisation structure, group structure, operations, services and products, human resources, facilities, governance policies during the independent directors meetings.

The Chairman of the Board, depending on the business needs, may also nominate independent directors for relevant external training programs.

Apart from the independent directors, non-executive directors are also eligible to attend the familiarisation programmes.

The independent directors are made aware of their responsibilities and liabilities at the time of their appointment through a formal letter of appointment, which also stipulates their roles and responsibilities and various terms and conditions of their appointment.

Regular updates on relevant statutory and regulatory changes are circulated to the independent directors of the Company.

All independent directors also get to interact with the senior management of the Company. The executive chairman, managing director and chief executive officer, the heads of the service business units, HR and finance teams interact with the independent directors. Besides, they also have a walkthrough of the Company's business.

### **3. Continual familiarization modules**

To understand and remain updated on the business, operations of the Company and changes in the regulatory regime on a regular basis, the independent directors at the Board meetings and relevant committee meetings are provided, *inter alia*, with the following:

- i. Updates on operations, industry position, strategies, competitiveness and financial performance of the Company.
- ii. Updates regarding budgets, working capital management and fund flows.
- iii. Review of internal & statutory audit.
- iv. Updates on significant developments in the Company and business performance of the Company
- v. Updates regarding business strategies and policies of the Company on social responsibility, nomination and remuneration criteria, vigil mechanism/whistle blower, risk management etc.
- vi. Safety, health and environment and sustainability issue.
- vii. Update on significant amendments in corporate and other laws and its impact on the Company.
- viii. Independent directors have the freedom to interact with Company's management and senior leadership team of the Company.

### **4. Role of Independent Directors**

The role of the independent directors is:

- i. To help in bringing an independent judgement to bear on Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- ii. To bring an objective view in evaluation of the performance of the Board and management.
- iii. To scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- iv. To satisfy themselves on the integrity of financial information and that the financial controls

- and the systems of risk management are robust and defensible.
- v. To safeguard the interest of all the shareholders of the Company.
  - vi. To balance the conflicting interest of the shareholders and management, if and when such a situation arises
  - vii. To play important role in appointment, removal and determination of appropriate remuneration of executive/whole-time/managing directors, key managerial personnel and senior management personnel.
  - viii. To ensure the effectiveness of the Board as the oversight body to oversee what the management does.
  - ix. To identify the most critical issues for the Board to deal with.
  - x. To assist the Board in achieving consensus on important issues.
  - xi. To play the role of a facilitator outside the board room especially on contentious issues.
  - xii. To work with chief executive officer/chief financial officer/director/managing director/whole-time director to prioritize issues, set the agenda and enable it to focus on substantive issues.
  - xiii. To ensure that Board conversations do not veer in the direction of certain unwanted topics/individual preferences.
  - xiv. To provide candid feedback to chief executive officer/chief financial officer/director/managing director/whole-time director.
  - xv. To strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member.
  - xvi. participate constructively and actively in the committees of the Board in which they are chairpersons or members.
  - xvii. strive to attend the general meetings of the company.
  - xviii. 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.
  - xix. keep themselves well informed about the company and the external environment in which it operates;
  - xx. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
  - xxi. 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.
  - xxii. 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;
  - xxiii. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
  - xxiv. act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees.
  - xxv. to not disclose 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.

## **5. Amendments and Review**

This policy will be reviewed periodically by the board/ committee of the Company as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the board of directors in cases of material changes to this policy. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

## **6. Interpretation**

In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/modification in SEBI Listing Regulations, the Companies Act, 2013 and/or applicable laws in this regard shall automatically apply to this Policy.

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