

Hero Fincorp Limited

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

[Pursuant to Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

PREAMBLE

In accordance with the requirements of Regulation 25 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, the Listed entity shall familiarize the independent directors through various programmes about the listed entity, including the following:

- (a) Nature of the industry in which the listed entity operates;
- (b) Business model of the listed entity;
- (c) Roles, rights, responsibilities of independent directors; and
- (d) Any other relevant information.

OBJECTIVES

- To adopt a structured programme for orientation and training of Independent Directors at the time of their joining so as to enable them to understand the Company – its operations, business, industry and environment in which it functions.
- To update the Directors on a continuing basis on any significant changes therein so as to be in a position to take well-informed and timely decisions.

OVERVIEW OF THE FAMILIARISATION PROGRAMME

Initial Familiarisation Programme

An Induction/orientation program for independent director shall constitute the following:

1. An Appointment Letter incorporating the role, duties and responsibilities, shall be issued to the new inductee.
2. The newly inducted director shall be provided with the induction kit containing independent following documents:
 - a. Memorandum and Article of Association
 - b. Annual Report for Last three years
 - c. A brief note on the profile of the Company
 - d. Structure of the Board and Board Committees
 - e. Organisation Structure of the Company with details of all functional designations including designations at the field level.
 - f. Applicable Policies such as Whistle blower policy and Nomination and Remuneration Policy
 - g. Code of Conduct of Board and Senior Management
 - h. Broad aspects for evaluation of performance of Board Members and
 - i. A note on the Company's vision, core values, ethics, history and milestones, various business function in the Company, Regulatory Framework applicable to the Company.

Continuous Familiarisation Programme:

At various Board Meetings during the year, presentations are made to the Board on Risk Management, Financial & Business performance, Capital Adequacy, Portfolio Quality with areas of improvement, Working Capital Management, Fund Management, changes in Senior Management, financial inclusion, matters relating to corporate governance etc.

Various committee specific presentations as per their terms of reference are also presented in the committees meeting such as presentation on the cyber security framework in the IT Strategy Committee Meeting, Risk Management Systems and process in Risk Management Committee meeting.

The Directors are also updated about the non-banking finance industry, Company's business model, various product lines, competition etc. through presentations at the Board meetings. During last one year the presentations to the Board covered the following subjects:

- a) Presentation on 'Credit Risk';
- c) Presentation on 'Risk Management Plan';
- d) Financial and business performance

DISCLOSURE

This familiarization programme shall be available on the Company's website.