

HIKOKI POWER TOOLS INDIA PRIVATE LIMITED

CIN: U31900KA1996PTC020380

Reg. Office: Plot No.9A, I Phase, Peenya Industrial Area, Bengaluru, Karnataka -560058

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Our commitments towards Corporate Social Responsibility (CSR) include but not limited to eradicating hunger, poverty and malnutrition, promotion of education, healthcare and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

1. Objective:

The main objective of the CSR Policy is to lay down guidelines for doing CSR activities with a focus on making a positive contribution to society through effective impact and sustainable development programs. This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Companies Act, 2013 as amended from time to time. It covers the CSR activities which are being carried out in India and includes strategy that defines plans for future CSR activities.

2. Scope and Coverage:

The CSR activities of the Company shall include activities related to one or more of the following areas as prescribed in Schedule VII of the Companies Act, 2013 amended from time to time namely:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

- Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under various Departments/ ministries specified in Schedule VII of the Companies Act 2013;
- Rural development;
- Slum area development;
- Disaster management

The Company will review the sectors/activities from time to time and make additions/deletions to the above sectors/activities.

3. CSR Spend:

The CSR Committee shall develop and recommend the overall budget, taking into consideration the requirements set forth in the Companies Act 2013 and Rules made there under. The surplus arising out of CSR projects, programs or activities shall not form part of business profit of the Company.

4. Corporate Social Responsibility Committee (CSR Committee):

The Members of CSR Committee shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors. The CSR Committee comprises of the following members:

1. Mr. Yoshiki Yamanokuchi, Managing Director, as Chairman
2. Mr. Srinivasan R R, Executive Director, as a member
3. Mr. Toru Takami, Non-Executive Director, as a member

5. Functions and Powers of Committee:

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- a. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- b. Recommend CSR activities as stated under Schedule VII of the Companies Act, 2013
- c. Approve to undertake CSR activities, if necessary, in collaboration with group companies/other Companies/firms/NGOs etc. and to separately report the same in line with the CSR Rules
- d. Create transparent monitoring mechanism for implementation of CSR initiatives in India.

6. Meetings of the Committee:

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary:

- The CSR Committee shall hold a minimum number of one meeting every year.
- The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
- The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means as may be convenient.

7. Annual CSR Plan:

The Annual CSR Plan is a yearly plan of CSR activities which shall be placed before the Board of Directors of the Company based on recommendation of its CSR Committee. The Company may undertake CSR activities on its own or engage / make arrangements with a company established under section 8 of the Companies Act 2013 or a registered public trust or a registered society or any Non-Governmental Organisation established for the principal purpose of carrying out CSR activities, which shall form a part of the Annual CSR Plan.

8. Monitoring Mechanism:

All projects and programmes will be monitored by the CSR Committee. The monitoring process will cover both programmes and financial reviews. The Company shall adopt such monitoring and reporting measures as may be required under the Companies Act, 2013 and any other applicable laws.

9. Disclosures and Reporting:

The CSR initiatives undertaken by the Company shall be prepared by the CSR Committee and shall be suitably integrated into the annual Director's report of the Company.

10. Policy Review and Future Amendment:

The Board of Directors may review and revise/ amend this CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.