

**BEML LIMITED**  
**BENGALURU**

**Policy on Familiarization / Training programmes to Board Members**

**Introduction:**

BEML Limited is a heavy engineering company, making high quality products for diverse sector of economy such as Mining & Construction, Defence, Rail & Metro, Aerospace, etc. The Company has a well structured Board comprising of Executive Directors, Independent Directors and Government Nominees as required under the provisions of the Companies Act, 2013, Equity Listing Agreement and the DPE guidelines on Corporate Governance for CPSEs. In order to discharge their assigned duties and responsibilities effectively, it is of paramount importance that the Directors both individually and collectively understand and get familiar with the business and legal environment in which the Company operates so that the overall interest of all the stakeholders could be protected and promoted.

**2.0** This Policy framework covers all Board Members (Executive Directors, Independent Directors and Government Nominees) of the Company and it is based on the requirements under Para III(1) of Schedule-IV of the Companies Act, 2013, Clause 49(II)(B)(7) of the Equity Listing Agreement and Para 3.7 of the DPE Guidelines on Corporate Governance for CPSEs-2010.

**2.1** **Purpose:** This policy seeks to put in place a framework to ensure that new Members of the Board are provided with relevant information and necessary inputs about the Company to enable them to discharge their duties and responsibilities effectively in the overall interest of the Company and also to create a sense of belongingness and ownership in them so that they would be in a position to contribute their best at the meetings of Board and Committee/s. Further, the Board members are provided necessary training to update their skills and knowledge for the efficient discharge of their functions.

**3.0** **Objectives:**

The following are the key objectives of the Policy:

- To facilitate the understanding of the business and industry in which the Company is engaged including risk profile of the business.
- To familiarize all the new Directors with their role, responsibilities, duties and functions in the governance of the Company.

- To make them aware about the Corporate Governance, Business Ethics, Code of Conduct including restrictions on insider trading which they are required to comply with.
- To provide necessary training to all Directors from time to time to enable them to discharge their functions efficiently and effectively.
- To maximize the level and degree of contribution at the meetings of Board and Committee/s.
- To foster a spirit of independent thinking, in order to enable them to take informed and impartial decisions at the meetings.

#### **4.0 Procedure:**

**4.1 Initial contact:** The Company Secretary shall arrange to send communication from CMD welcoming the new Directors immediately after the appointment of the new Members to the Board.

**4.2 Board Inputs:** The Company Secretary shall also forward a copy of the Board inputs, which will serve as an initial introduction to the organization as well as an ongoing reference to new members of the Board. It should include the following aspects:

##### **4.2 (a) Business background :**

- Company profile
- Company's Mission, Vision, Objectives and MoU targets for the current financial year
- The Company's structure including subsidiaries, associates and joint ventures
- Manufacturing facilities, product details, marketing network and other infrastructure
- Major elements of the company's business: key customers and markets, major contracts, suppliers, etc.
- Performance of the business during current financial year and key performance indicators
- Any significant litigation concerning the company

#### **4.2 (b) Role of the Director:**

- An introduction to the role and responsibilities of a director with reference to the Companies Act, 2013, the Equity Listing Agreement entered with stock exchanges and the relevant guidelines issued by DPE.
- Restrictions with respect to outside interests, if any (e.g. restrictions on taking up other Directorships)
- Policy on Directors' share ownership and share dealings.
- Restrictions on disclosure of price sensitive information.
- Regulations pertaining to Related Party Transactions

#### **4.2 (c) Operation of Board:**

- The relevant provisions under the Articles of Association of the Company.
- Corporate governance requirements.
- Board committees and what responsibilities have been delegated to them
- Details of other Directors, and their committee memberships
- Board procedure (e.g. circulation of documents prior to meetings, venue of meetings, circulation of minutes)
- Annual schedule of Board / Committee meetings.

#### **4.2 (d) Key Managerial Personnel:**

- Key individuals (CGM and above); senior executives, their roles and contact details
- Professional advisers and their availability for Board related matters.

#### **4.2 (e) Documents to be given:**

- Copy of Memorandum and Articles of Association
- Product brochure.
- Copy of Annual report for last two years and quarterly results for the current financial year.

- Agenda copies and minutes of previous two Board meetings.
- Code of Conduct and Business Ethics for Board Members and Senior Management.
- Code of Conduct for Prohibition of Insider Trading.
- Brief bio-data and contact details of all the Directors of the Company, the Company Secretary and other key executives (CGM & above level).

## 5.0 Familiarisation Programme:

A familiarization programme for 3-days i.e., one day at Corporate Office and two days visits to Manufacturing Divisions shall be conducted as detailed below:

### **Familiarisation programme for New Board Members**

<i>Sl.No</i>	<i>Subjects</i>	<i>Resource Person</i>
1	Company Profile Company Vision & Mission Current performance of the Business: key performance indicators, MoU for the current financial year	Head - Corporate Planning
2	Board Practices - Role & Responsibility of Director w.r.t Board and Committee meetings	Company Secretary
3	Overview about the Marketing/Business verticals	Head - Marketing
4	Overview of International Business	Head . International Business Division
5	Overview of Financial Position / Operations	Head . Corporate Finance
6	Overview of HR Management / Human Capital	Head . Corporate HR
7	Visit to Manufacturing Units	Head . Complex / Division

**6.0** In addition, the Directors shall be nominated by the Company to external training programmes on Corporate Governance and other relevant programmes, from time to time, as may be organised by any Institutes / Professional bodies of repute in India.

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