

**BEML LIMITED  
BENGALURU**

**CODE OF CONDUCT AND BUSINESS ETHICS FOR BOARD MEMBERS  
AND SENIOR MANAGEMENT**

**I. INTRODUCTION**

This Code of Conduct and Business Ethics for Officers (the term Officers include Board Members, Key Managerial Personnel and Senior Management Personnel being not below the level of Chief General Managers (the "Code") helps maintain the standards of professional and business conduct for BEML Limited (the "Company") and ensures compliance with legal requirements. The purpose of the Code is to promote ethical conduct and deter wrongdoing. The matters covered in this Code are essential so that the Company can conduct its business in accordance with the stated values.

Professional and ethical business conduct is critical to the business. Accordingly, Officers are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with all applicable laws, rules and regulations, and also the policies and procedures adopted by the Company that govern the conduct of the employees.

This Code is in addition to the Rules and Regulations of Service and Conduct applicable to the Officers of the Company. This Code shall also be posted on the website of the Company in terms of Clause 49(II)(E) of the Equity Listing Agreement.

**II. APPLICABILITY**

The Code is applicable to the following persons, referred to as "Officers" :

- All Members of the Board
- All Key Managerial Personnel, and
- All Senior Management Personnel being not below the level of Chief General Managers

Nothing in this Code, in any Company policies and procedures, or in other related communications (verbal or written), creates or implies an employment contract or term of employment.

Officers should sign the acknowledgement form at the end of this Code and return the form to the HR Department indicating that they have received, read and understood, and agree to comply with the Code. The signed acknowledgement form will be placed in the personnel files of the Officers concerned. Each year, as part of their annual review, Officers will be required to sign an acknowledgement indicating their continued understanding of the Code and compliance thereto. The annual report of the Company shall contain a declaration to this effect duly authenticated by the CEO / CMD.

### III. SCOPE

The Officers of the Company agree to abide by the following Code of Conduct and Business Ethics:

1. Attend Board / Shareholders / Committee / Senior Management meetings whenever required or seek prior leave of absence from such meeting (s).
2. Exercise authority and power with due care and diligence and whilst discharging the fiduciary responsibility of office in the best interest of the Company and all the stake holders.
3. Not allow personal interest to conflict with the interest of the Company or to come in the way of discharge of duties of office.
4. Abide by policies and business principles of the Company.
5. Comply with all applicable laws, rules and regulations.
6. Preserve and protect the environment with due concern for ecology, clean air, control the levels of pollution and emission and ensure that standards prescribed / fixed by the Constituted Authority is adhered to.
7. Observe strict confidentiality of the information acquired in the course of discharge of duties of office and not use the same for any personal purpose or advantage.
8. Use Company property only for official purposes and for no personal gain. Not accept any personal gratification from suppliers / service providers / business partners, and other stakeholders (Note : Personal gratification will not include normal entertainment and inexpensive gifts.)
9. Deal fairly with customers, suppliers, employees and other stakeholders.

10. Ensure safety and health of all employees and provide working conditions which are not harmful to health.
11. Encourage employees to acquire skills, knowledge and training to expand / enhance their professional and specialized knowledge.
12. Provide equal opportunities to all employees and aspirants for employment in the Company irrespective of gender, caste, religion, race or colour, merit being the sole differentiating factor.
13. Conduct business operations in compliance with competition laws and principles of fair market competition.
14. Maintain high ethical and professional standards in all dealings.
15. Not to conduct ourselves in a manner as may bring disrepute to office or tarnish the reputation and image of the Company.
16. Not to take up any activities competing with the business of the Company.
17. Make proper record of all financial transactions and not create undisclosed or unrecorded account / fund or asset.
18. Co-operate with Government, Trade and Industry Associations for and in the development of economic legislations concerning the business of the Company.
19. Disclose the following related party transactions in terms of Section 188 of the Companies Act, 2013, Clause 49(VII) of the Equity Listing Agreement, DPE Guidelines and the Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

Sl. No.	Category	Name & Address	Nature of Transaction
1	<u>Relatives</u> a. Members of HUF b. Name of Spouse c. Name of Father including step-father, if any d. Name of Mother including step-mother, if any e. Name(s) of Son including step-son, if any f. Name of Son's Wife g. Name(s) of Daughter h. Name of Daughter's Husband		

	i. Name(s) of Brother including step-brother, if any j. Name(s) of Sister including step-sister, if any		
2	Name(s) of firm, in which a Director is a partner		
3	Name(s) of private Company in which the Director is a member or Director		
4	Name(s) of public Company in which a Director is a Director or holds along with his relatives more than 2 % of its paid-up share capital.		
5	Name(s) of body corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a director.		
6	Name(s) of person(s) on whose advice, directions or instructions, not being in a professional capacity, a Director is accustomed to act.		

20. Disclose any personal interest in the material financial and commercial transactions that may have a potential conflict with the interest of the Company excepting the remuneration and other benefits received as an employee of the Company.

#### IV. DUTIES OF DIRECTORS

In terms of Section 166 of the Companies Act, 2013, a Director shall ó

- (1) act in accordance with the articles of the Company.
- (2) act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (3) exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (5) not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.

(6) not assign his office and any assignment so made shall be void.

#### V. DUTIES OF INDEPENDENT DIRECTORS:

Section 149(8) of the Companies Act, 2013 read with Schedule IV, the Independent Directors shall -

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the Company;
- (6) 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;
- (7) keep themselves well informed about the Company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) 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;
- (10) 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;

- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (13) 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.

## VI. VIOLATION OF THE CODE

Part of an Officer's job and of his or her ethical responsibility, is to help enforce this Code. Officers should be alert to possible violation and report the same to the Director (HR) or the Director (Finance). Officers must cooperate in any internal or external investigations of possible violation. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

Actual violation of law, this Code, or Company policies or procedures, should be promptly reported to the Director (HR) or the Director (Finance).

The Company will take appropriate disciplinary action against any Officer whose actions are found to violate the Code or any other policy of the Company. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company will cooperate fully with the appropriate authorities to set right the same.

## VII. WAIVERS AND AMENDMENTS OF THE CODE

The Company is committed to continuously review and update the policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

## VIII. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

I have received and read the Company's Code of Conduct and Business Ethics for Officers (the "Code"). I understand the standards and policies contained in the Code and understand that there may be additional policies or laws specific to my job. I agree to comply with the Code.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult the HR department or the finance department, and that my questions or reports to these sources will be maintained in confidence.

## IX. AFFIRMATION

I hereby undertake to provide the enclosed affirmation at the time of appointment and also on an Annual basis to the Company within 30 days from the end of 31<sup>st</sup> March every year as per *Annexure*.

Signature with date :

Name :

Designation :



**BEML LIMITED**  
BANGALORE

**CODE OF CONDUCT AND BUSINESS ETHICS FOR BOARD  
MEMBERS AND SENIOR MANAGEMENT**

COMPLIANCE REPORT FOR THE YEAR *í í í í*

I, *í í í í í í í í í í í í í í í í í í ..*, do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT AND BUSINESS ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT during the year ended *í í í í í ..*

2. Further, I hereby disclose the following related party transactions entered during the year *í í í í ..*, in terms of Section 188 of the Companies Act, 2013, Clause 49(VII) of the Equity Listing Agreement, DPE Guidelines and the Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

Sl. No.	Category	Name & Address	Nature of Transaction
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2	Name(s) of firm, in which a Director is a partner		
3	Name(s) of private Company in which the Director is a member or Director		



4	Name(s) of public Company in which a Director is a Director or holds along with his relatives more than 2 % of its paid-up share capital.		
5	Name(s) of body corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a director.		
6	Name(s) of person(s) on whose advice, directions or instructions, not being in a professional capacity, a Director is accustomed to act.		

Signature with date :

Name :

Designation :