

Policy on Training for Board of Directors
of
Rail Vikas Nigam Limited

1.0 Introduction

- 1.1 The principal role of the Board of Directors - as representatives of the shareholders, is to oversee the functions of the organization and ensure that it continues to operate in the best interests of all its stakeholders, viz., employees, community, shareholders and customers.
- 1.2 With the stress on principles of Corporate Governance, the Directors of Companies need to set the standards from the top to promote a transparent working culture that encourages effective dialogue among the Directors, Senior Management and at various functional levels. Independent Directors should also significantly contribute to the functioning of the Board through a requisite understanding of the Company and its business. To ensure their effective functioning, Boards of Companies are required to build capabilities within themselves and their organizations that allow them to play both a compliance role as well as strategy formulation role.
- 1.3 To achieve this objective, the training of Directors of Companies is being recognized as a best practice and is being emphasized by various regulatory authorities. Recently, the Ministry of Corporate Affairs has incorporated a provision relating to Training of Directors in the Voluntary guidelines on Corporate Governance. Department of Public Enterprises (DPE), has also stressed the need for a training policy and programs for the Directors of Boards of Public Sector Enterprises (PSEs).
- 1.4 In view of the above, Companies are now required to invest on the formal and informal education of Directors, with their individual areas of expertise on an ongoing basis.

2.0 Purpose

- 2.1 Rail Vikas Nigam Limited (RVNL) believes in the importance of continuous learning in the Company across all levels. This becomes more imperative at the highest level in the organization. i.e. that of the Board of Directors, which comprises of whole-time Directors, Independent and Nominee Directors. The nomination of Directors to attend regular training programmes and organization of regular in-house trainings will enable them to discharge their roles and responsibilities in a most effective manner.
- 2.2 The requirement for training and development programmes increases manifold for a newly appointed Director. The new appointee should be given a formal induction and orientation with respect to the Company's Vision, Mission, objectives and key values including Code of Ethics, Corporate Governance, financial issues and business operations. RVNL shall facilitate the new Director to visit the actual project sites where work is under execution, in order to make him/her familiar with its business.
- 2.3 RVNL would also provide all the necessary documents, reports and policies etc. to the new Board member so that he/she may get acquainted with various procedures and practices followed in the company.

3.0 Objectives:

The main objectives of the Training Policy for Board of Directors of RVNL are detailed below:

- To train all Board members in their roles and responsibilities as Trustees;
- To train individual Directors in their specialized areas of responsibility;
- Identification of group/individual training requirements;
- Information/reports of all outside trainings attended by individual Directors should be circulated to all other Board members for their information.

4.0 Area of training

- Trainings may be conducted in-house by the Company's internal experts in the relevant field or by external agencies.
- As a part of ongoing training, Directors shall be periodically updated on all business related matters and technical aspects including new accounting standards, financial policies, corporate governance developments and compliance thereof, associated risks and mitigation strategies through in-house sessions.
- Directors shall also be deputed for training by external specialized agencies on areas such as Corporate Governance, Risk Management etc.
- Initiatives shall be taken to update Directors on changes/developments in the domestic/global corporate and industry scenario including those pertaining to statutes/legislation and the economic environment by deputing them to various conferences/training sessions to be identified.
- In addition RVNL's management may arrange periodic presentations on its business and performance updates or on various issues related to strategic planning of the Company at Board and committee meetings.

5.0 Budget Allocation

- The funds for training of Directors will be allocated from the Training Budget of RVNL.

6.0 Placement of Website

This Policy and any amendment thereto shall be posted on the website of the Company.

7.0 Amendment

Any modification/amendment in the Policy may be carried out with approval of MD/RVNL.
