

PART 2 MANAGEMENT AND CORPORATE GOVERNANCE**7. Securities and Shareholders****7.1 TSTH's securities**

On March 31, 2017, the registered capital of the Company is Baht 8,421,540,848; the paid-up capital is Baht 8,421,540,848, divided into 8,421,540,848 shares of the ordinary share, with a par value of Baht 1.

History and Development of capital increase and decrease including paid-up capital of the Company is shown below:

D/M/Y	Registered Capital (Baht million)	Increase (Decrease) (Baht million)	After Increase (Decrease) Capital (Baht million)	Transaction
July 12, 2002	Ordinary share Baht 10,000 Preferred share -None-	0.01	0.01	Established with its initial capital of Baht 10,000, divided into the ordinary share of 10,000 shares with a par value of Baht 1. Its paid-up capital was Baht 10,000 divided into 10,000, ordinary shares
Aug 1, 2002	Ordinary share 6,729.44 Preferred share 2,083.68	0.01	0.01	Increased its registered capital from Baht 10,000 to Baht 8,813.12 million divided into 6,729.44 million ordinary shares and 2,083.68 million preferred shares with a par value of Baht 1. The paid-up capital is Baht 10,000, divided into 10,000 ordinary shares
Nov 29, 2002	Ordinary share 6,729.44 Preferred share 2,083.68	Ordinary share 1,851.62 Preferred share 788.30	Ordinary share 1,851.62 Preferred share 788.30	Issued the ordinary shares and preferred shares totaling 2,639.92 million shares to right offering for existing NTS's shareholders, divided into 1,851.62 million ordinary shares and 788.30 million preferred shares with a par value of Baht 1. Its paid-up capital was Baht 2,639.92 million
Dec 2, 2002	Ordinary share 6,729.44 Preferred share 2,083.68	Ordinary share 1,542.56 Preferred share 1,262.98	Ordinary share 3,394.18 Preferred share 2,051.28	Issued the ordinary shares and preferred shares totaling 2,805.54 million shares to right offering for CHC, McDonald and MCL as detailed below: - Issued the ordinary shares of 1,542.56 million shares and preferred shares of 895.38 million shares to CHC with a par value of Baht 1 - Issued the preferred shares totaling 367.60 million shares to McDonald and MCL. Its paid-up capital was Baht 5,445.46 million.

D/M/Y	Registered Capital (Baht million)	Paid-up capital		Transaction
		Increase (Decrease) (Baht million)	After Increase (Decrease) Capital (Baht million)	
Dec 9, 2002 – Aug 29, 2003	Ordinary share 7,097.04 Preferred share 1,716.08	-	Ordinary share 3,841.71 Preferred share 1,603.75	447.53 million preferred shares were converted to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 5,445.46 million. Amendment of the Clause 4 of the Memorandum of Association of the Company to be in line with the conversion of preferred shares amounting 367.60 million shares.
Oct 16 and 20, 2003	Ordinary share 7,097.04 Preferred share 1,716.08	Ordinary share 132.60	Ordinary share 3,974.31 Preferred share 1,603.75	Second issuance of newly issued shares amounting to 132.60 million shares to existing shareholders, up to 62.08 million shares, and to CHC as private placement, up to 70.52 million shares pursuant to the merger agreement, with a par value of Baht 1. Total paid-up capital was Baht 5,578.06 million.
Dec 23, 2003	Ordinary share 7,097.04 Preferred share 1,716.08		Ordinary share 3,977.65 Preferred share 1,600.41	3.34 million preferred shares were converted to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 5,578.06 million.
Dec 30 and 31, 2003	Ordinary share 7,138.91 Preferred share 1,603.75	-	Ordinary share 3,977.65 Preferred share 1,600.41	Amendment of the Clause 4 of the Memorandum of Association of the Company to be in line with the above transaction as follows: • Conversion of preferred shares to ordinary shares up to 79.93 million shares. • Reduction of unissued shares and unallotted for the convertible debenture and warrants up to 70.46 million shares. (38.06 million ordinary shares, 32.4 million preferred shares). Its registered capital was 8,742.66 million shares with its paid-up capital of 5,578.06 million shares.

D/M/Y	Registered Capital (Baht million)	Paid-up Capital		Transaction
		Increase (Decrease) (Baht million)	After Increase (Decrease) Capital (Baht million)	
Jan 5, 2004	Ordinary share 9,138.91 Preferred share 1,603.75	-	Ordinary share 3,977.65 Preferred share 1,600.41	Amendment of the Clause 4 of the Memorandum of Association of the Company to be in line with the increase of registered capital of the Company amounting Baht 2,000 million from Baht 8,742.66 million to Baht 10,724.66 million, divided into the newly issued ordinary shares of 2,000 million shares with a par value of Baht 1. The total paid-up capital was Baht 5,578.06 million.
Jan 13, 2004	Ordinary share 9,138.91 Preferred share 1,603.75	-	Ordinary share 3,989.71 Preferred share 1,588.35	12.06 million preferred shares were converted to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 5,578.06 million.
Feb 13, 2004	Ordinary share 9,138.91 Preferred share 1,603.75	Ordinary share 178.38	Ordinary share 4,168.09 Preferred share 1,588.35	Existing ordinary shareholders and preferred shareholders as of January 9, 2004 exercised their right to purchase the newly issued shares in the proportion of 10 existing shares held to 1 new share at the exercise price set to be Baht 2.30 per share, totaling 178.38 million shares. The total paid-up capital was Baht 5,756.44 million.
April 22, 2004	Ordinary share 9,154.31 Preferred share 1,588.35	-	Ordinary share 4,168.09 Preferred share 1,588.35	Amendment of the Clause 4 of the Memorandum of Association of the Company to be in line with the conversion of preferred shares amounting 15.40 million shares.
Oct 19, 2004	Ordinary share 9,154.31 Preferred share 1,588.35	-	Ordinary share 4,172.36 Preferred share 1,584.08	4.27 million preferred shares were converted to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 5,756.44 million.

D/M/Y	Registered Capital (Baht million)	Paid-up Capital		Transaction
		Increase (Decrease) (Baht million)	After Increase (Decrease) Capital (Baht million)	
Nov 30, 2004	Ordinary share 9,154.31 Preferred share 1,588.35	Ordinary share 418.72	Ordinary share 4,591.08 Preferred share 1,584.07	CHC, a convertible debenture holder, converted its convertible debenture up to 5,903.86 units, each of which was valued at Baht 100,000, to the ordinary shares amounting to 418.72 million shares at the conversion price of Baht 1.41:1 ordinary share. The total paid-up capital was Baht 6,175.15 million.
Feb 18, 2005	Ordinary share 9,154.31 Preferred share 1,588.35	-	Ordinary share 4,603.37 Preferred share 1,571.78	12.30 million preferred shares were converted to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 6,175.15 million.
April 22, 2005	Ordinary share 9,170.88 Preferred share 1,571.78	-	Ordinary share 4,603.37 Preferred share 1,571.78	Amendment of the Clause 4 of the Memorandum of Association of the Company to be in line with the conversion of preferred shares amounting 16.57 million shares.
Dec 20, 2005	Ordinary share 9,170.88 Preferred share 1,571.78	-	Ordinary share 5,503.76 Preferred share 671.39	900.39 million preferred shares were converted to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 6,175.15 million.
Dec 21, 2005	Ordinary share 9,170.88 Preferred share 1,571.78	Ordinary share 141.84	Ordinary share 5,645.61 Preferred share 671.39	CHC, a convertible debenture holder converted its convert its debenture up to 2,000 units, each of which was valued at Baht 100,000 to the ordinary shares amounting to 141.84 million shares at the conversion price of Baht 1.41:1 ordinary share. The total paid-up capital was Baht 6,317 million.
Jan 10, 2006	Ordinary share 9,170.88 Preferred share 1,571.78	-	Ordinary share 5,664.06 Preferred share 652.94	18.45 million preferred shares were converted to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 6,317 million.

D/M/Y	Registered Capital (Baht million)	Paid-up Capital		Transaction
		Increase (Decrease) (Baht million)	After Increase (Decrease) Capital (Baht million)	
Feb 17, 2006	Ordinary share 10,089.72 Preferred share 652.94	-	Ordinary share 5,664.06 Preferred share 652.94	Amendment of the Clause 4 of the Memorandum of Association of the Company to be in line with the conversion of preferred shares amounting 918.84 million shares.
Feb 20, 2006	Ordinary share 8,268.10 Preferred share 652.94	-	Ordinary share 5,664.06 Preferred share 652.94	Reduction of the registered capital from Baht 10,742.66 million to Baht 8,921.04 million by way of reduction of unissued shares and unallotted for the convertible debenture and warrants up to 1,821.62 shares.
Feb 22, 2006	Ordinary share 10,372.64 Preferred share 652.94	-	Ordinary share 5,664.06 Preferred share 652.94	Increase of the registered capital from Baht 8,921.04 million to Baht 11,025.58 million by issuing up to 2,104.54 million shares with a par value of Baht 1
Feb 23, 2006	Ordinary share 10,372.64 Preferred share 652.94	-	Ordinary share 5,682.15 Preferred share 634.85	18.09 million preferred shares were converted to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 6,317.00 million.
March 21, 2006	Ordinary share 10,372.64 Preferred share 652.94	-	Ordinary share 5,723.83 Preferred share 593.17	41.68 million preferred shares were converted to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 6,317.00 million.
March 22, 2006	Ordinary share 10,372.64 Preferred share 652.94	Ordinary share 2,104.54	Ordinary share 7,828.37 Preferred share 593.17	Issuance of newly issued shares amounting to 2,104.54 million shares to Tata Steel as its private placement basis with a par value of Baht 1. Total paid-up capital was Baht 8,421.54 million.
May 2, 2006	Ordinary share 10,432.41 Preferred share 593.17	-	Ordinary share 7,828.37 Preferred share 593.17	Amendment of the Clause 4 of the Memorandum of Association of the Company to be in line with the conversion of preferred shares amounting 59.77 million shares.

D/M/Y	Registered Capital (Baht million)	Paid-up Capital		Transaction
		Increase (Decrease) (Baht million)	After Increase (Decrease) Capital (Baht million)	
May 16, 2008	Ordinary share 10,432.41 Preferred share 593.17	-	Ordinary share 8,168.77 Preferred share 252.77	340.40 million preferred shares were converted to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 8,421.54 million.
Sep 12, 2013	Ordinary share 8,168.77 Preferred share 252.77	-	Ordinary share 8,168.77 Preferred share 252.77	Reduction of the registered capital from Baht 11,025.58 million to Baht 8,421.54 million by canceling ordinary shares of 2,604,038,725 in the amount of 2,604,038,725 Baht due to expiration of the warrants.
Dec, 2013	Ordinary share 8,168.77 Preferred share 252.77	-	Ordinary share 8,421.54 Preferred share 0	Final conversion of 252.77 million preferred shares to ordinary shares in the conversion ratio of 1:1. Accordingly, its total paid-up capital was Baht 8,421.54 million.

7.2 Shareholders

Top ten major shareholders from 7,177 Shareholders on the book closing date on May 25, 2017 for the right to attend the Annual General Meeting of Shareholders No.16 are detailed below;

Name	Ordinary Shares	%
1. T S GLOBAL HOLDING PTE LTD ^(a)	5,718,472,083	67.90
2. MR. VEERAPHAN THEEPSUWAN	448,906,500	5.33
3. BANGKOK BANK PLC	296,050,796	3.52
4. MR. VIROJ UNGPAIBOON	273,002,901	3.24
5. THAI NVDR COMPANY LIMITED ^(b)	103,405,637	1.23
6. PERSHING LLC	100,772,455	1.20
7. MR. THEERACHAI KEERATITECHAKORN	95,048,700	1.13
8. EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD	48,610,300	0.58
9. HRRUNGRUANG'S GROUP (Comprised of 7 natural persons)	40,009,240	0.48
10. MR. AMPON VIROJVECHAPAND	36,200,000	0.43
TOTAL	7,160,478,612	85.03
11. OTHER SHAREHOLDERS (7,161 persons)	1,261,062,236	14.97
GRAND TOTAL	8,421,540,848	100.00

Remarks

(a) Operates its business as an investment company, a wholly owned subsidiary of Tata Steel Limited. The company was incorporated in 2008 and is based in Singapore. Tata Steel Global Holding Pte. Ltd. holds more than 50% shares of the Company. It may, therefore, be possible for the majority shareholder to control almost all the resolutions in the Shareholders Meeting such as; voting in agenda of appointment of directors or any others voted agenda.

(b) THAI NVDR COMPANY LIMITED is a subsidiary owned by the Stock Exchange of Thailand. NVDR holders receive the same full financial benefits as they would receive had they invested directly in shares excepted the voting right of shareholders meeting. Further information regarding THAI NVDR COMPANY LIMITED can be found on www.set.or.th

As of May 25, 2016, TSTH has 7,008 of Non-Strategic Shareholders (Free-Float), is equivalent to 2,254,136,233 of ordinary shares, calculated from the total paid up ordinary shares of 8,421,540,848 or 26.77%

7.3 Issuing of other Securities

- None -

7.4 Dividend payment policies of the Company and its subsidiaries

The Company has the policy for the dividend payment to the shareholders at the rate of not exceeding 40% of net profit after tax (after deduction of legal reserve) of consolidated financial statements by considering the relevant factors which shall not cause significant effects to the Company's business operation. Such factors are such as the operation performance, financial status, the Company's solvency, the business expansion, the obligations to complete the debts service according to the Company's restructuring loan agreements as well as other loan agreements including any other factors relevant to the business operation of the Company. The consideration shall be consistent with the concept of maximizing long-term benefit for the shareholders but it shall also be subject to the approval from the Board of Directors and/or the Shareholders' meeting.

Dividend Policy of subsidiaries takes into account of each subsidiary's operating results; that is, a dividend will be declared when the subsidiaries are able to general an adequate amount of the net profit and no retained deficits are reported. In addition, the subsidiaries refer to major factors mentioned earlier in consideration of a dividend payment.

The history of dividend payment is as follows:

Details	Net profit (Million Baht)	Net profit/ share (Baht)	Number of shares (Million)	Dividend/ share (Baht)	Dividend payout ratio (Percent)
FY 2016 -2017	528	0.06	8,421.54	0	0
FY 2015 -2016	54	0.01	8,421.54	0	0
FY 2014-2015	15	0.00	8,421.54	0	0
FY 2013-2014	130	0.00	8,421.54	0	0
FY 2012-2013	- 3,393	0.00	8,421.54	0	0
FY 2011-2012	805	0.00	8,421.54	0	0
FY 2010-2011	35	0.00	8,421.54	0	0
FY 2009-2010	41	0.00	8,421.54	0	0
FY 2008-2009	130	0.02	8,421.54	0	0
FY 2007-2008	3,391	0.40	8,421.54	0.076	20
FY 2007⁽²⁾	44	0.01	8,421.54	0	0
FY 2006⁽¹⁾	708	0.09	8,421.54	0.03	38

Remarks :

⁽¹⁾ Starting from January 1, 2007, TSTH changed its accounting policy for its investment from the Equity Method to Cost Method. This adjustment caused difference in reporting net profit (PAT) between the Separate Financial Statements and the Consolidated Financial Statements

⁽²⁾ Three-month period of operating performance (January - March)

8. Organization Structure

Company's management structure consists of the Board of Directors and Committees namely, the Audit Committee, Executive Committee, Corporate Governance, Nomination and Remuneration Committee and Management.

8.1 The Board of Directors

The Company's Article of Association specifies that The Board of Directors consists of not less than five and not more than 14 Directors. Currently, there are eight Directors with three Independent Directors.

The Board of Directors as on 31 March 2017

Name	Positions	Number of Meetings	Attendance (During 2015-2016)
1. Mr. Thachat Viswanath Narendran	Chairman	5	5 ^(a)
2. Mr. Maris Samaram	Independent Director	5	5
3. Ms. Rawewan Peyayopanukul	Independent Director	5	5
4. Mr. Hatasakdi Na Pombejra	Independent Director	5	5
5. Mr. Taratorn Premsoontorn	Director	5	5
6. Mr. Peeyush Gupta	Director	5	5 ^(b)
7. Mr. Ranganath Raghupathy Rao	Director	5	4 ^(c)
8. Mr. Rajiv Mangal	Director	5	5
9. Mr. Ashish Anupam	Director	5	1 ^(d)

Remarks :

1. Directors changing during the year

1.1 Mr. Ranganath Raghupathy Rao, a replacement of Mr. Ashish Anupam who resigned with effective from April 29, 2016.

2. Directors meeting attendance

(a) – (d) Attend one meeting through video conference

Authorized Directors and Binding Signatory Procedures

Mr. Thachat Viswanath Narendran, Chairman of the Executive Committee and Mr. Rajiv Mangal, the President & CEO jointly sign with the Company's seal affixed, or Mr. Thachat Viswanath Narendran, Chairman of the Executive Committee or Mr. Rajiv Mangal, the President & CEO jointly sign with Mr. Taratorn Premsoontorn together with the Company's seal affixed.

Scope of authority of the Board of Directors

The Board of Directors has the duty and authority to manage the Company in compliance with the objectives, Articles of Association and resolutions of the shareholder's meeting. However, the Board may not approve or decide on the following issues unless acknowledged by the majority of the attending Directors in the meeting of the Company and/or Subsidiaries:

1. Any loan exceeding Baht 50 millions and not in the Group's annual budget.
2. Granting loans, collaterals, indemnifications, guarantees, letters of support or commitments to any persons and not in the Group's annual budget unless allowed in the contracts of the financial restructuring agreement or business rehabilitation plan of NTS.
3. Any investments exceeding Baht 50 millions and not in the Group's annual budget.
4. Sales, transfers, rent out or permissions related to any properties or assets with the book value exceeding Baht 50 millions and not in the group's annual budget.
5. Approvals or amendments of the Group's annual budget.
6. Any transactions with connected parties not regarding as normal business operation.
7. Changing of the accounting policy, approval of the annual consolidated financial statements, annual individual financial statements and quarterly group financial statements.
8. Changes related to the Group's business operation or termination of any business operation.

Audit Committee

Name	Positions	Number of Meetings	Attendance
1. Mr. Maris Samaram	Chairman	4	4
2. Ms. Rawewan Peyayopanakul	Independent Director	4	4
3. Mr. Hatasakdi Na Pombejra	Independent Director	4	4

Scope of authority of the Audit Committee

1. Supervise and review to ensure that the Company has a financial reporting system that complies with the accounting standard as specified by the laws with transparency, accuracy and adequacy.
2. Encouraging the development of a financial reporting system to meet with international accounting standards.
3. Review the Company's internal control and internal audit system for appropriateness and effectiveness.
4. Review the Company's risk management system.
5. Review the Company's compliancy with laws on securities and securities exchange and other laws and regulations related to Company's business.
6. Review internal control system, plans and audit procedures including auditing evaluation of the Company's various operations, in accordance with generally accepted principles and standards.
7. Disclosure of the Company's information in case of connected transaction or transaction that may induce conflict of interest for accuracy and completeness in compliant with the Securities Exchange's regulations. This is to ensure that those transactions are reasonable and to the best interest of the Company.
8. Review and provide recommendations on Internal Audit Office's performance and coordinate with the auditors.
9. Prepare report on business supervision of the Audit Committee and published in the Company's annual report. Such report must be signed off by Chairman of the Audit Committee and must contain at least the following information

- Opinion on accuracy, completeness and credibility of the Company's financial reports.
 - Opinion on adequacy of the Company's internal control system.
 - Opinion on compliancy with the Securities and Exchange laws, Securities exchange regulations and other laws related to Company's business.
 - Opinion on appropriateness of the auditor.
 - Opinion on transactions that may induce conflict of interest.
 - Number of the Audit Committee meetings and attendances of each Committee member.
 - Opinion or overall remark perceived by the Audit Committee upon carrying out their duty according to the Charter.
 - Other transactions that should be noted by shareholders and general investors, under the scope of duties and responsibilities delegated to by the Board of Directors.
10. Consider, select, nominate and remove an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
 11. Appoint, revoke, transfer or terminate the Director of the Internal Audit Office (if any) or employ or change the employment of other Internal Audit Offices.
 12. Consider budget and manpower of the Internal Audit Office (if any) or employment budget of other Internal Audit Offices.
 13. Other functions as specified by laws or as delegated to by the Board of Directors.

Corporate Governance & Nomination and Remuneration Committee

Name	Positions	Number of Meetings	Attendance
1. Mr. Thachat Viswanath Narendran	Chairman	3	3
2. Mr. Maris Samaram	Member	3	3
3. Ms. Rawewan Peyayopanakul	Member	3	3
4. Mr. Taratorn Premsoontorn	Member	3	3

Scope of authority of the Corporate Governance, Nomination and Remuneration Committee

Corporate Governance and Nomination

1. To examine, review, and propose to the Board of Directors guidelines for corporate governance of the Company.
2. To advise the Board of Directors and the management in line with the Company's established corporate governance principles.
3. To present to the Board of Directors, norms and principles, as well as nominees for filling board vacancies as a result of directors' term completion or other cases. To join the Board, the nominees must obtain approval from the shareholders' Meeting.
4. To nominate prospective President to the Board of Directors for approval.

5. To facilitate directors in evaluating performance of the Board of Directors collectively and summarize the evaluation result to the Board of Directors so as to enhance the Board's supervision effectiveness.
6. Other duties assigned by the Board of Directors.

Remuneration Committee

1. To review and recommend remuneration for the Board of Directors and other board appointed Committees and propose to the Board of Directors and shareholders' meeting for approval.
2. To review and recommend remuneration (including Salary increase and Bonus) for the President, Sr. Management (COO and VPs) of the Company and propose to the Board of Director for approval.
3. To define guidelines, procedures and determination of such remuneration to correspond with the Company's operating result with regard to the various factors and other companies in the industry.
4. To review and recommend the budget for the salary increases, bonus and compensation for employees of the Company and its subsidiaries and propose it to the Board of Directors for approval.
5. Other duties assigned by the Board of Directors.

Executive Committee

Name	Positions	Number of Meetings	Attendance
1. Mr. Thachat Viswanath Narendran	Chairman	5	5
2. Mr. Peeyush Gupta	Member	5	5
3. Mr. Ranganath Raghupathy Rao	Member	5	5
4. Mr. Rajiv Mangal	Member	5	5

Scope of authority of the Executive Committee

1. Define policies, strategies, management structure and authority to correspond with and support the economic situation for approval by the Board of Directors.
2. Consider and comment on the business plan and annual budget allocation proposed by the management to the Board of Directors for approval.
3. Supervise, oversee and monitor on the Company's operation to ensure its efficiency and appropriateness with the business situation for the benefit of the Company's operation to accomplish the objectives according to the policies and business plan prescribed by the Board of Directors.
4. Other functions as occasionally designated by the Board of Directors. The Executive Committee may authorize any Executives with the authority to perform a specific function or functions deemed appropriate by the Executive.

Annual General Shareholder Meeting for year 2016

Name	Positions	Number of Meetings	Attendance
1. Mr. Thachat Viswanath Narendran	Chairman	1	1
2. Mr. Maris Samaram	Independent Director	1	1
3. Ms. Rawewan Peyayopanakul	Independent Director	1	1
4. Mr. Hatasakdi Na Pombejra	Independent Director	1	1
5. Mr. Taratorn Premsoontorn	Director	1	1
6. Mr. Ranganath Raghupathy Rao	Director	1	1
7. Mr. Peeyush Gupta	Director	1	1
8. Mr. Rajiv Mangal	President & CEO	1	1

8.2 Management

The Management as on 31 May 2017

Name	Positions
1. Mr. Rajiv Mangal	President & CEO
2. Mr. Wanlert Kanwiwat	Chief Operating Officer
3. Mr. Jayanta Chakraborty ^(a)	Vice President – Finance & Chief Financial Officer
4. Mr. Sirorote Matemanosak	Vice President – Human Resources & Corporate Affairs
5. Mr. Paitoon Chuesook	Vice President - Procurement
6. Mr. Chaichalerm Bunyanuwat	Vice President – Marketing & Sales
7. Mr. Amit Khanna	Vice President – Capital Projects and Business Excellence
8. Mr. Arun Kumar CHowdhary	Vice President – Chonburi Plant
9. Mr. Pornchai Tangworrakulchai	Vice President – Rayong Plant
10. Mr. Rungroth Lert-A-Rom	Vice President – Saraburi Plant

Remarks:

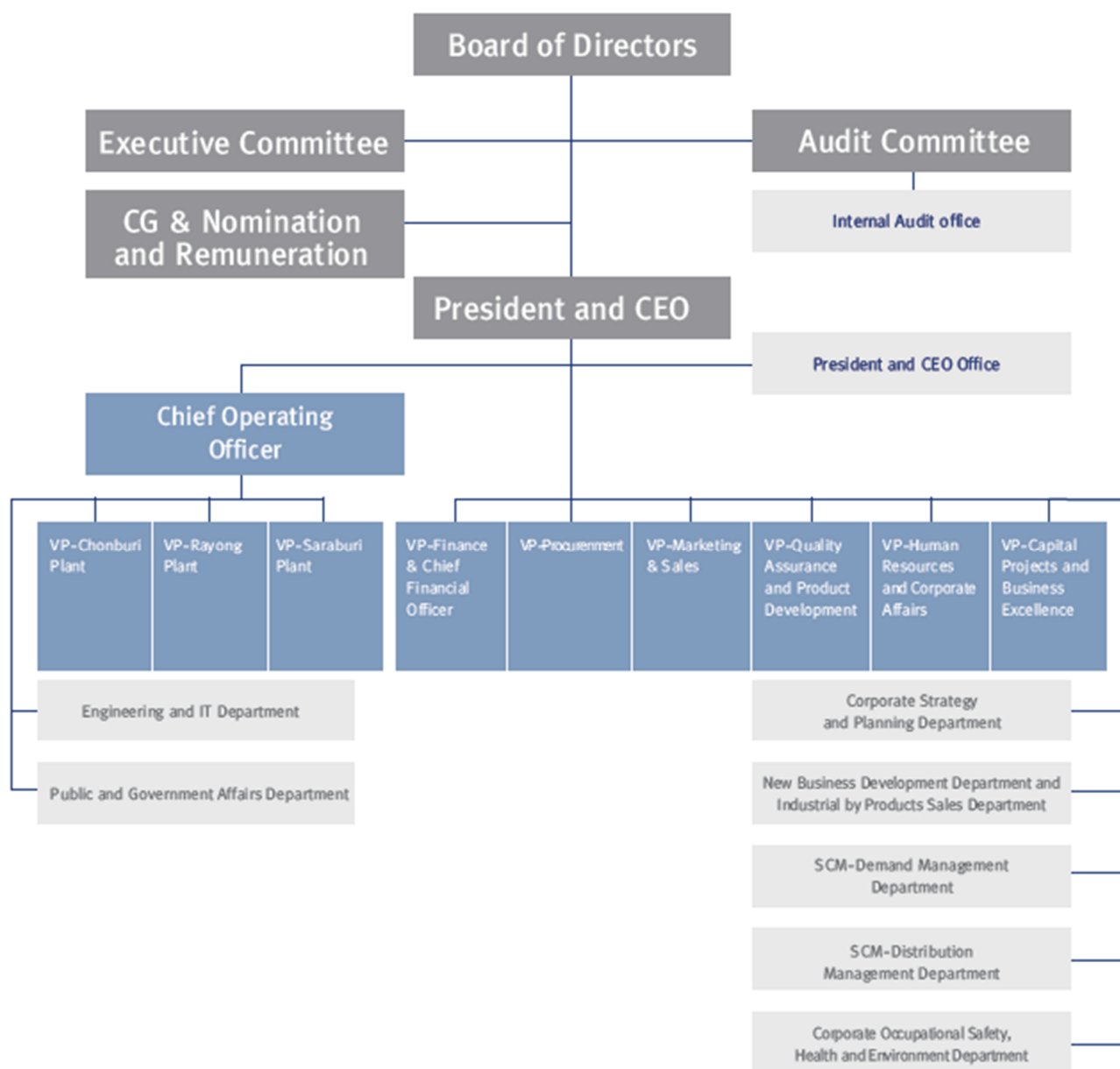
- (a) Mr. Jayanta Chakraborty, a replacement of Mr. Shishir Vijay Pimplikar who resigned on September 15, 2016.

Scope of authority of the President & CEO

- Supervise, oversee and manage the normal business operation for the benefit of the Company with regards to the objectives, Articles of Association along with the regulations, resolutions, policies, plans and allocated and approved budget by the Board of Directors within related legal framework and scope of authority prescribed by the Board of Directors.

2. Prepare annual business plan and budget in accordance with the Board of Directors' policies and present to the Executive Committee (Executive Directors) and the Board of Directors.
3. Scrutinize information and facts on issues related to business operation before presenting to the Executive Committee (Executive Directors) and the Board of Directors.
4. Has the authority to approve normal business transactions such as raw materials procurement, operating expenses, sales and administrative expenses and investment expenses within the authority limits defined by the Board of Directors.
5. Other functions as occasionally designated by the Board of Directors.

Organization of the Company as on March 31, 2017



8.3 Company Secretary

The Company has appointed Company Secretary Position since 2003. The Company Secretary has to carry out the duty with responsibility, precaution and faithfulness. On 9 May 2017, the Board passed a resolution to appoint Ms. Arisara Na Ranong as Company Secretary as replacement to Ms. Pratana Sinhaneti who resigned on April 30, 2017. She has knowledge and experience to carry out the functions of Company Secretary as well as completed the courses related to Company Secretary matter ie. Company Secretary Program, Fundamental Practice for Corporate Secretary.

Company Secretary has the following duties and responsibilities:

1. Organize and facilitate board and board committee meetings.
2. Organize the annual general meeting of shareholders, and record and publish the related minutes.
3. File all documents and related records.
4. Monitor and ensure that the Board is in compliance with all related laws and regulations.
5. Handle corporate governance issues and provide advice on these to the Board.
6. Ensure the Company follow the rules, law and regulation accordingly.
7. Assist shareholders, directors and members of management with any board-related matters.
8. Follow up on all resolutions passed and instructions given by the Board and shareholders' meetings.

8.4 Remuneration of the Board of Directors and Executives

The Company has clearly and reasonably set a policy and guideline on remuneration of Director and Executives so that competent Directors and Executives can be retained.

The Corporate Governance, Nomination and Remuneration Committee proposes the remuneration of the Board of Directors and Committees by considering the duties, responsibilities, overall performances and Company's operating result to shareholders for approval. The remuneration is appropriate when compared within the same industry. The Company has no policy to pay the remuneration to the Executives who take the position of the Director of the Subsidiaries.

For remuneration of the President and Executives of the Company and its subsidiaries, the Board of Directors, by acknowledgement of the Corporate Governance, Nomination and Remuneration Committee, would consider on the duties, responsibilities, individual performance and Company's operating result in both short and long terms. The agreed baseline remuneration is decided to create motivation in company's administration and implementation to achieve objectives and sustainable growth.

(1) Total Remuneration of the Board of Directors

There are two types of financial remuneration for the Directors. These are fixed remuneration that is paid every quarter and a meeting allowance, which would be paid only to the attending Directors after each meeting.

In case of the retiring or incoming Directors, they would be paid by calculating only for the days in office during that quarter.

Details of Director's remuneration in effective until resolved otherwise by the shareholders' meeting:

		Remuneration	Meeting Allowance
		(Baht/year)	(Baht/meeting)
Board of Directors	Chairman	630,000	42,000
	Vice Chairman	525,000	21,000
	Director	472,500	21,000
Audit Committee	Chairman	168,000	15,750
	Member	115,500	10,500
Executive Committee	Chairman	0	15,750
	Member	0	10,500
Corporate Governance, Nomination and Remuneration Committee	Chairman	150,000	15,750
	Member	75,000	10,500

(A) Details of the Directors Remuneration in 2016 - 2017

No.	Names	Remuneration (Baht)				
		Board of Directors	Audit Committee	Executive Committee	Corporate Governance, Nomination and Remuneration Committee	Total
1.	Mr. Thachat Viswanat Narendran Chairman of the Board, the Executive Committee and the Corporate Governance, Nomination and Remuneration Committee	-	-	-	-	-
2.	Mr. Maris Samaram Independent Director Chairman of the Audit Committee Member of Corporate Governance, Nomination and Remuneration Committee	577,500.00	231,000.00	-	106,500.00	915,000.00
3.	Ms. Rawewan Peyayopanukul Independent Director Member of Audit Committee Member of Corporate Governance, Nomination and Remuneration Committee	577,500.00	157,500.00	-	106,500.00	841,500.00
4.	Mr. Hatasakdi Na Pombejra Independent Director Member of Audit Committee	577,500.00	157,500.00	-	-	735,000.00
5.	Mr. Taratorn Premsoontorn Director Member of Corporate Governance, Nomination and Remuneration Committee	577,500.00	-	-	106,500.00	684,000.00
6.	Mr. Peeyush Gupta Director Member of Executive Committee	139,125.00	-	-	-	139,125.00
7.	Mr. Ranganath Raghu[athy Rao Director Member of Executive Committee	81,779.00	-	-	-	81,779.00
8.	Mr. Rajiv Mangal^(c) Director Member of Executive Committee President and CEO	-	-	-	-	-
Total		2,530,904.00	546,000.00	-	319,500.00	3,396,404.00

Remarks: Effective 30 June, 2016, current employees of Tata Steel and its subsidiaries who are nominated as Directors on Board of subsidiaries shall not receive any sitting fees until any further information. However, the Directors no. 1 and 8 had informed not to receive director's remuneration since 29 September, 2014 and 19 February, 2014 until further information.

(B) The amount and total remuneration of Directors and Managements**Total remuneration of the Executives**

Total remuneration in terms of salary and bonus for 2016-2017 (1 April 2016 - 31 March 2017) for 12 persons was Baht 49.66 million (including executive who resigned during the year).

Total remuneration of the Board of Directors of core business subsidiaries

The Company does not pay any remuneration to Directors of its subsidiaries.

Total remuneration of executives of core business subsidiaries

Total remuneration in terms of salary and bonus for Financial year 2016- 2017 is included in the remuneration of the Company's Management team mentioned above.

Other forms of remuneration (if any)

Other remuneration in term of up-country allowance/housing allowance and car allowance for the financial 2016-2017 was Baht 6.26 million.

Other remuneration paid to Directors

The Company approves no other remunerations, for instance, bonus, pension, and other types of privileges to be paid to the Board of Directors. Tata Steel Limited has availed a global Directors and Officers (D&O) Liability Insurance program from India covering directors and officers of the Company and all its subsidiaries worldwide for a policy limit of USD 200 Mn. The policy period is 1st April 2017 till 31st March 2018 and renewed annually.

Other remuneration paid to Executives

- **Provident Fund**

The Company has contributed to the provident fund for all Management of the Company and its subsidiaries at the rate of approximately 10% of total payroll. The contribution in Financial Year 2016-2017 on this account was Baht 3.13 million.

- **Company Car**

The Company has provided company maintained cars to Company's Executives and Senior Management of the Company.

Currently, the Company has no policy to offer Executives with the Employee Stock Option Program (ESOP) or Employee Joint Investment Program (EJIP), but has managed compensation for executives in other forms based on performance; Company's operating results, duties, responsibilities and potential of each Executive.

Employees

The total number of employees of the Company and its subsidiaries as at 31 March 2017 were 1,228. For the year 2016-2017, the Company has paid remuneration to its employees totaling to approximately 265.83 million baht. The remuneration included salary, overtime, variable bonus, cash allowance, social security and provident fund.

In addition, the three subsidiaries have also paid the same to their employees in the amount of 660.39 million baht.

Number of the employees and remuneration

2016 – 2017 (as of March 31, 20167)	Tata Steel (Thailand) Plc.	N.T.S Steel Group Plc.	The Siam Iron & Steel (2001) Co., Ltd	The Siam Construction Steel Co., Ltd
Management Employee (person)	51	11	10	9
Supervisory Employee (person)	191	62	51	51
Operational Employee (person)	85	274	197	236
Employee in Headquarter (person)	172	-	-	-
Total (person)	327	347	258	296
Employee's Remuneration (MB)	265.83	262.87	187.39	210.13

During the past 3 years, the company has no significant increase or decrease in employees' number and has not received any significant labour disputes.

9. Corporate Governance

9.1 Corporate Governance Policy

The Company is committed to conduct business with conscience to all groups of stakeholders as mirrored in its serious compliance with the principles of good corporate governance as recommended by the Stock Exchange of Thailand, notifications of the Office of the Securities and Exchange Commission, provisions of laws, as well as other regulations concerned. The Company also aims at developing its business in accordance with or exceeding existing regulatory requirements, yet under the corporate governance directives of fairness and transparency.

Therefore, in addition to strictly conducting business transactions with the highest level of work ethics as established in the Tata Code of Conduct ("TCoC"), the Company has documented policy and principles of good corporate governance in the Company's "Good Corporate Governance Manual" since 2005. The same has been constantly reviewed and updated to reflect the changes in the economic and business landscape. The contents include the principles and practices, responsibilities of the Company's Directors and sub committees, shareholders' rights and fair treatment of shareholders.

9.2 Other Committees

(1) Structure of Committees

Currently the Board of Directors consists of eight members, three of whom are independent Directors as specified in the Company and SEC's regulation, together with five Directors representing major shareholders. The Company's Directors are knowledgeable and have extensive experience in the area of law, accounting, finance and steel business. In order to balance of power for conducting business, the Company has defined that the Chairman, as the policy leader, and the President & CEO, as the leader of the business operation, will not be the same individual.

In addition, the Board of Directors has appointed three Committees to perform specific functions. These are the Audit Committee, the Executive Committee and the Corporate Governance, Nomination and Remuneration Committee. These committees deliberate at regular intervals and submit their recommendations to the Board for further consideration.

List of members of each Committee and scope of authority appear under "Management Structure".

9.3 Selection of the Directors and Executives

(1) Independent Directors

The Corporate Governance, Nomination and Remuneration Committee is responsible for selection of Independent Director, 2 independent directors out of 4 directors, before proposing to the Board of Directors and/or the shareholders' meeting for election or appointment. The selection would be in line with the guidelines and principles approved by the Board of Directors. The Company's definition of "Independent Director" is stricter than the one specified by the SEC so that they can act independently suitable with specific nature of the Company.

Qualifications of Director

1. Possess the qualifications with no prohibited characteristics as specified in the Company's Articles of Association, the Public Company Limited Act and the Securities Exchange regulations.
2. Persons with capabilities, experiences and diversity of skills, knowledgeable, competent, leadership, varied perspectives, ethical, record of transparency and ability to express opinions independently.
3. Persons who can devote sufficient time to attend Board meetings to monitor Company's operation. Holding of Board positions in other companies should be limited to an appropriate numbers.
4. Persons who are not Directors, Executives, shareholders or partners with substantial shareholding of the similar or competitive business operations or business operations that may provoke conflict of interest with the Company.
5. For Director who is also the President, selection consideration would also base on past performance and result of potentiality evaluation.

Qualifications of Independent Director

1. Holding not over 1% of the total voting shares of the Company, parent company, subsidiary company, associate company or juristic person who may have conflicts with, including shares held by related persons.
2. No participation in the management nor being an employee, staff, salaried advisor, person with controlling power, parent company, subsidiary, associate or juristic person who may have conflict with, and not having interest in such activities for the previous 24 months prior to appointment.
3. No kinship, marriage or legally registered as the father, mother, spouse brother/sisters and child, including child's spouse, with the Executive, major shareholder, person with controlling power or person who will be nominated as Executive or person with controlling power of the Company or subsidiaries.
4. No business relationship with the Company, parent company, subsidiary, associate or juristic person who may have conflict with, in a way that may limit the exercise of independent judgement. This includes not being, or not having been a major shareholder, non-independent Director or Executive of an entity which have business relationship with the Company, parent company, subsidiary, associate or juristic person who may have conflict with, and not having direct or indirect interest in the following activities for the previous 24 months.
 - 4.1 Transactions in the course of normal business operation such as merchandise sales, raw materials purchase or providing services value more than 3% of the Company tangible assets or within the 12months period.
 - 4.2 Transactions of renting or renting out of immovable properties.
 - 4.3 Transactions related to assets or services such as acquisition or disposition of assets, rights or providing or receiving services.
 - 4.4 Transactions related to granting or receiving financial assistance such as granting or receiving loans, guarantees or providing asset as collateral, including other similar practices which result in the obligation for debt repayment to other parties with value more than 3% of the net physical asset or more than Baht 20millions, whichever the least within the period of 12 months. In case of transactions of granting or receiving financial assistance, debt obligation incurred during the period of one year prior to the date of business relationship of the same person should be accumulated.

5. Not being an auditor of the Company, parent company, subsidiary, associate or juristic person who may have conflict with, and not being major shareholder, non-Independent Director, Executive or managing partner of the auditing office whose auditor works in the Company, parent company, subsidiary, associate or juristic person who may have conflict with, and should have no interest in such characteristics for the previous 24 months.
6. Not being a professional service provider, including being a legal advisor or financial advisor who receives service fee of more than Baht two millions from the Company, parent company, subsidiary, associate or juristic person who may have conflict with. In case the professional service provider is the juristic person, it should include being a major shareholder, non-Independent Director, Executive or managing partner of such professional service provider and not having interest in such characteristics for the previous 24 months.
7. Not being a Director appointed as representative of the Company's Director, major shareholders or shareholders related to major shareholders.
8. Not having characteristics that would make independent expression of opinion about Company's operation impossible.
9. Capable of taking care of every shareholder's interest equally.
10. Capable of managing conflict of interest.
11. Be able to attend the Board of Directors' meeting to make decision on matters independently.
12. Possess the qualifications with no prohibited characteristics specified by the Company's Article of Association and regulations of the Public Company Limited Act and the SEC.

Retirement Age

The retirement age for Independent and Non-Executive Directors would be 70 years. The Directors who has completed the age of 70 years may continue as Directors at the discretion of the Board but in no case beyond the age of 75 years.

Guideline and Voting Procedures

In case the election of Company's Director is proposed to the shareholders' meeting for consideration, it would be proceeded according to the guidelines and procedures specified in the Company's Article of Association such as shareholders will have one vote for each share held and in case of a tie, the Chairman of the meeting will have a deciding vote. However, for the election of Company's Director, voting for individual or multiple Directors may be applied but all voting rights equivalent to all the shares held must be exercised at one time and cannot be divided for various candidates.

In the event that a vacancy occurs due to any reason other than the retirement of a Director, the Board shall consider appointing a qualified person who is not prohibited by law to be a replacement Director at the following meeting. Exception is where the remaining term of the vacancy is shorter than two months. The replacement Director shall serve the remaining term of the vacancy. The Board's resolution for replacement shall be two-thirds majority votes of remaining Directors.

(2) Selection of Directors and Executives

The selection of Directors shall comply with the above description above in (1).

The Executive Committee will make initial selection for individuals to be appointed as the President & CEO and senior executives, by filtering qualified persons having knowledge, skills and experiences beneficial to the Company. The candidates

must have good understanding about business and be able to manage operations to achieve goal and targets formulated by the Board of Directors. The candidate will be further proposed to the Corporate Governance, Nomination and Remuneration Committee to be considered and then proposed for approval by the Board of Directors.

9.4 Corporate Governance of Subsidiaries

The Board oversees the Company's subsidiaries in order to protect the holding company's interests with following guideline:

1. Encourage them to adopt good corporate governance principles.
2. Appoints representative directors and members of management to serve on the boards of subsidiaries.
3. Oversees business operations through the appointed representative directors, members of management and a group-wide policy.
4. Considers key matters such as strategic directions, business plans, capital increases or decreases and divestment.
5. Monitors operating results via members of management, the Executive Committee, and the Board itself.
6. Monitors compliance with the rules and regulations regarding: related party transactions, acquisition and disposition of assets and adequate and timely disclosure of information. This also includes maintaining proper accounting records and preparing financial reports in accordance with all applicable laws and generally accepted accounting principles.
7. Assigns the Company's internal audit unit to conduct audits at the subsidiaries and affiliates in order to ensure the adequacy and effectiveness of their internal control systems.

9.5 Use of Insider Information

The Company has developed its policies to monitor the use of insider information cautiously and efficiently. Written policies are specified in the Company's Corporate Governance Guideline, while other preventive measures have been fostered to ensure effective monitoring of insider information expected to be used by the Board of Directors and executives.

The Board of Directors and executives possess complete knowledge and understanding on the obligation in reporting the holding of the Company's securities, held by their spouses, minors, and themselves. The Board of Directors and executives are also required to report on the change of the holding of the Company's securities in compliance with the requirements and penal provisions of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and the Capital Market Supervisory Board (CMSB).

In case where the Board of Directors and executives shall announce the possession and/or change of the holding of the Company's securities, the Corporate Secretary would help summarize and collect the related information to be proposed to the Board of Directors' meeting for acknowledgement of details, which shall also be disclosed in the annual report.

Additionally, the Company has implemented adequate internal control measures to supervise the use of insider information complying with good corporate governance principles, while defining a policy to prohibit the use of insider information for personal gain (Abusive Self-Dealing), for instance, trading of insider information (Insider Trading), requesting the Board of Directors, executives, and employees related to the financial information of the Company and its subsidiaries to sign for acknowledgement of the violation of trading of securities specified below:

1. The above-mentioned persons are prohibited to trade Company's securities within 2 (two) weeks prior to the disclosure of the Company's quarterly financial statements and annual financial statements and within 24 (twenty-four) hours following the disclosure of the said financial statements to the SET (Blackout Period).
2. In case of being the non-disclosed significant information which may have a direct impact on the prices of the Company's securities, the Board of Directors would prohibit the trading of the Company's securities until the 24-hour period is due as such information has already been released to the public.

Directors and executives are required to notify the Board of Directors of the trading of the Company's securities within a period of 1 (one) day prior to the actual trading date.

9.6 Auditor's Fee

(1) Audit Fee

For the period April 2016 - March 2017, the Company and its subsidiaries paid audit fee of Baht 4,208,000.

(2) Non-audit Fee

For the period of April 2016 - March 2017, the Company and its subsidiaries paid a fee such as for audit procedures of the consolidated reporting packages under the Group Accounting Policies, travelling, per diem, lodging etc. of Baht 2,034,684 to its auditor, the audit firm affiliated with the auditor, individuals or business entities related to the auditor and its affiliated audit firm.

9.7 Compliance with Good Corporate Governance Principles in Other Matters

The Company has always followed the principles of good corporate governance for listed companies issued by SET. The Company also follows the OECD (OECD Principles of Corporate Governance). It comprises of 5 relevant principles and practices; (1) shareholders' right, (2) equity treatment of shareholders, (3) role of stakeholders, (4) disclosure and transparency and (5) responsibilities of the Board of Directors. The Company has been documented this in "Good Corporate Governance Policy" to improve the practices standard. The principles were adapted for appropriate use in relation to Company's circumstances and have been reviewed and improved to make it up-to-date and correspond to the ever changing situation.

The Company has been always rated as "very good" in the Corporate Governance evaluation, and has strived to improve the corporate governance of the company continuously.

The Company's corporate governance report for the year 2015-2016 is as follows:

Category I**Shareholders' Rights**

The Company emphasizes and respects the rights of every individual shareholder in playing a key role in financing the Company. In doing so, every shareholder is encouraged to make maximum use of their rights in protecting the Company's overall interest, and refrain from doing any action that may diminish the rights of the shareholders which can be summarized as follows:

1. **Basic rights** include registering as a shareholder of the Company, buying or selling shares and receiving dividends equally, receiving sufficient Company newsletters and information. These may include changes in the structure of the capital, changes in the control of the Company's assets as well as being equally entitled to share buybacks.
2. **The right to vote in shareholder meetings.** This means using their rights to vote for a director, establishing the director's remuneration, the allocation of profits and dividends, the appointment of the Company's auditor and the auditor's fees, changes to the articles of associations, increasing or decreasing the Company's share capital, and important transaction approvals that affects the business direction.
3. **Other rights as stated by law.** In addition to supporting and encouraging the use of the rights stated above, the Company also facilitates the rights of every shareholder in attending the shareholder's meetings. The policies that create ease for shareholders to attend shareholders' meetings are as follows:
 - An easy process to attend shareholders meeting with minimum expenses.
 - Setting a location that is convenient and can be reached through public transport.
 - Providing a description of the documentation required to attend the meetings.
 - Providing experienced personnel with the appropriate facilities in validating and registering the shareholder's attendance.
 - Providing the opportunity for shareholders who are not able to attend the meeting in person be able to nominate a representative to attend the meeting. This means nominating their own representative or nominating an independent director of the Company as their representative. This is an easy process as a result of the documents required to attend the meeting be sent out in advance to the shareholders to reduce the time required to check their documents before attending the meeting.
 - Providing a stamp duty on the document that nominates a representative to attend the shareholders meeting in the event that such document did not already have a stamp duty.
 - Applying Barcode system for registration process for quality registration procedure.
 - Allowing shareholders to register their attendance 2 hours in advance prior to the meeting. Furthermore, after the meeting has started shareholders are able to register and vote on the agenda being considered.

The Company's secretary office is facilitating and protecting the rights of the shareholders. Shareholders can contact the Company secretary office on phone number 02 938 1000 Ext 3111, 3156 and 3210.

Category II**Equitable Treatment of Shareholders**

The Company realizes its duty to look after the interest of every shareholder, whether it is a major shareholder, institutional investor, foreign shareholder including minor shareholder by equitable treatments described as under:

Shareholders' meeting

Every year, the Company will organize a shareholders' meeting within 4 month periods starting at the end of the Company's financial year. This meeting is the Annual General Meeting, while other meetings are called Extraordinary General Meeting. In the past financial year, no Extraordinary General Meetings were organized.

The 2016 Annual General Meeting was conducted at 14:00 pm on the 22nd of July 2016 at the Anantara Siam Bangkok Hotel. Those who had a shareholding record date as 30th of May 2016 were eligible to attend the meeting.

The list was compiled in accordance with Section 225 of The Securities and Exchange Act and the book closing was on the 31st of May 2016.

The Company's directors had established a system and mechanism that allowed an effective shareholders meeting. Information regarding the date, time, location, agenda, rules, and instructions to attend the meeting, the voting process, and agenda items were provided to shareholders in advance. The Company did not undertake any action that would limit the shareholders' ability to receive such information or restrict the shareholders ability to attend the meeting.

The Company assigned The Thailand Securities Depository (Thailand), the company's registrar, to process and delivers the notice of the meeting and relevant documents in both Thai and English to all shareholders 21 days prior to the meeting. These include:

1. Notice of Shareholders meeting that has the clear details regarding the date, time, location and meeting agenda(s) for information/approval/consideration. The purpose and reasoning for each agenda, and the Board of Directors' view on each agenda item. This constitutes sufficient information for the decision of shareholders
2. Proxy letter for the shareholders meeting in the format as specified by the ministry of commerce both in the A format which is the easy and simple format to follow, or the B format that fully dictates each action as "Approved", "Disapproved", or "No Vote" for each agenda item. This proxy letter also allows the shareholders to vote for each director for appointment to the board
3. Information about the Independent Directors that the Company has designated as proxies. These information include their name, age, address and their vested interest in the proposed agenda of the meeting
4. The Company's Annual Report in both Thai and English in the form of a CD Rom, as well as in paper format for the shareholders who notified the Company in advance of their desire to receive it in such format
5. Explanation about the documents that are required to be presented to attend the meeting
6. Articles of association in connection with the Annual General Meeting
7. The map of the location where the Annual General Meeting will take place

In addition to this, the Company also:

1. Advertised the details of the Annual General Meeting through the daily Thai newspaper for 3 consecutive days and 3 days prior to the meeting
2. Notified via the Stock Exchange website (www.set.or.th) to distribute information that the shareholders' meeting information will be available via the Company website 1 month in advance so that the shareholders are able to stay informed about the meeting in a convenient and speedy manner. In addition to this, the shareholders will be able to study the information necessary in order to make the most out of the documents provided by the Company
3. Distributed information via the Stock Exchange of Thailand's website (www.set.or.th) to inform shareholders that they are able to submit questions regarding the agenda of the meeting in advance. The proposal on nomination of appointed Directors and questions can be submitted to the board of directors or individual independent directors through the Company's Secretariat Office. Questions submitted via this channel will be addressed at the next annual general meeting. The submitted times are as follow;

▪ Proposing for general agenda and nomination director election agenda ▪ Sending the questions	During 1 April – 30 April During 1 April – 31 May
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There were no questions submitted for 2016's Annual General Meeting.

Furthermore, at the registration desks, the Company organized activities to build an effective relationship between the Company and the shareholders. Examples of these include an invitation to donate new socks to school children in rural areas, a booth to report on CSR projects, and a booth to recommend and provide information on the Company's products.

BEFORE THE MEETING

The Corporate Secretary informs shareholders of the Articles of Association related to the meeting and meeting procedures such as voting procedures, vote counting procedures and announcement of the result.

DURING THE MEETING

The presiding Chairman conducts the meeting transparently according to the announced agendas with no additional agenda for consideration other than those specified on the Notification inviting shareholders to the Annual General Meeting. Appropriate and sufficient time would be allotted for consideration of each agenda before voting. Shareholders would be allowed to vote for election of individual Director and encouraged to provide comments, recommendations and ask questions freely.

The Company uses voting ballots for convenience of shareholders and arranges for the Inspector to supervise voting and vote counting for transparency according to law and Company's regulations. Vote counting would be done by computer. Only shareholders' voting ballots of 'Against' or 'Withheld' would be compiled for calculation by deducting from number of overall eligible shareholders. Shareholder would have one vote per one share. Results of the vote for each agenda would be announced after resolving of each agenda item by slide projection. Moreover, the meeting would be recorded on a video media.

AFTER THE MEETING

The Company announces the meeting resolution (agreement, disagreement or abstention) through SET news network (www.set.or.th) immediately after the meeting and prepares the meeting minutes within period specified by law. The minutes records details such as

1. Names and positions of the attended Directors, Executives including related persons
2. Announcement of voting procedures and vote counting
3. Questions and answers, comments and recommendations
4. Meeting resolutions and voting result on each agenda, classified as agreement, disagreement and abstention.

There were 547 shareholders who attended in person and through proxy. This represents 6,217,998,324 shares or 73.83% of the 8,421,540,848 company shares. The Chairman of the board, the Chairman of individual committees namely the Audit Committee, the Executive Committee and CG & Nomination Committee, and all members of the Board of Directors attended the meeting. In addition to this, the company's executives, the Company's auditor, as well as the company's legal department also attended the meeting to answer any questions from the shareholders.

Use of insider information

Details of the Company's policy and measures to prohibit the use of insider information for the benefit of Directors and Executives are in the section 9.5.

There has been no incident of the use of insider information for the benefit of securities trading by the Directors and Management representatives during the previous year.

Report on stakeholders

The Company has specified that its Directors, Executives and related persons must declare their own interest in the form as defined by the Board of Directors. When there is any appointment to be the Directors or Executives or changes in the report, the Corporate Secretary has been assigned to compile and present to Chairman of the Audit Committee and Chairman of the Board of Directors for acknowledgement such reports. The Company would use such information to monitor and supervise transactions that may lead to conflict of interest such as connected transactions.

Connected Transactions

The Company clearly defined principle and procedure of the connected transactions and to be strictly complied with the regulation of the Securities and Exchanges Commission, Capital Market Supervisory Board and the Stock Exchange of Thailand regard to the conflict of connected transactions. The Directors and Executives having interests and/or connection on a matter will not attend the meeting and vote on such matter to make the fair decisions.

For new arising connected transactions, its volume and amount will be taken into account, and submitted to the Audit Committee for consideration before further submission for endorsement by the Board of Directors.

Besides, the Audit Committee is entrusted to review connected transactions on a quarterly basis to avert possible conflicts of interest. Disclosure of connected transactions is provided in the notes to the audited financial statements.

In the previous year, the Company never acted against the regulations of the SET and SEC on Connected Transactions or acquisition/disposition of assets, including a transaction of providing financial assistance to non-subidiaries.

Category III

Role of Stakeholders

The Company recognizes that encouraging a strong relationship and co-operation between Company and all stakeholders would be a factor to build wealth, stability and long term sustainability. It adheres to the rights of all stakeholders in relation to its business operation, both defined by law or mutual agreement, by being responsible to the internal and external stakeholders, whose rights have been violated, with strict fairness, as well as keep developing engagement mechanism for stakeholders.

The employees adhere to the Company's Code of Ethics issued under the "Tata Code of Conduct (TCoC)" which defines guidelines and practices related to ethical business conduct with all stakeholders. Measures and channels for stakeholders to communicate/inform on unethical conducts are clearly spelt out along with process to protect the informant under the "Policy and Regulation regarding Whistle Blower".

Stakeholders can suggest/ report/ appeal on the above Code of Ethics in person/ by letter/ E-mail/ telephone/ fax by contact via the Chairman of the Audit Committee or the Ethics Counselor, details of whom are as given below:

Chairman of the Audit Committee

Mr. Maris Samaram (Till July 7, 2017)

E-mail address : msamaram@gmail.com

Ms. Rawewan Peyayopanakul (Starting July 8, 2017)

E-mail address : veepee365@gmail.com

Ethic Counselor

Mr. Sirorote Metamanosak

Tata Steel (Thailand) Public Company Limited

Rasa Tower 2, 20th Floor,

555 Phaholyothin Road, Chatuchak, Bangkok 10900

Tel. : +66 2937 1000 ext. 1810 Fax : +66 2937 1224

E-mail address : sirorotem@tatastealthailand.com

Guidelines and responsibility to each group of stakeholders are:

Shareholders

The Company is committed to create value for all shareholders with fairness by operating business in compliance with good governance and the Company's vision efficiently and treat shareholders with respect and as per the applicable laws and regulations to maximize benefits and values to shareholders continuously. The Company shall inform shareholders of correct and complete information, including disclosing such information in accordance with relevant rules and agreement.

Employees

The Company regards employees as a valuable asset. Therefore, providing equal opportunities for all employees without discrimination against any social status, nationality, caste, religion, family, marital status, gender, sexual orientation, age and ethnicity, emphasis is placed on providing career paths according to employees' ability based on merit and competency including improving quality of life of employees and their families. Employees receive compensation and benefits, comparable to other leading companies including Provident Fund for employees to save money to use. There is also a focus on safety, health and environment for all employees. As well as commitment, training and staff development at all levels and covers the ongoing professional to be an important factor in creating organizations to sustainable development.

Customers

The Company devotes extensive efforts to satisfy our customers in every aspect. It strives to provide products and services to meet the needs of our customers as well as the development of quality products and services with warranty and service for the benefit and satisfaction in terms of quality standards and fair prices. Development of products and services to meet the diverse needs and quality control, complaints about products and services, maintain client confidentiality includes not put customer data to generate benefits are also a return policy if it finds that the product is not quality or inferior.

Partners

The Company sets a clear policy and framework based on the TATA Code of Conduct (TCoC) for its business implementation with transparency and equitability in dealing with all partners. Its subsidiaries are also strictly compliance to the same TATA Code of Conduct. Comply with the fair commercial competition framework and TCoC, verifying detailed information on PO before sending to supplier, maintain payment standard by closely monitoring of payment status, build good relationship. The Code covers joint operations between the Company and its partners, for instance, regular trainings on safety have been extended to transport contractors who work for the plants.

Competitors

The Company strives to operate with integrity and comply with the rules of fair competition, honestly through the source of legitimacy only. The Company will not pose unfair or misleading information about a product or service, to destroy competitors.

Creditors

The Company strictly complies with the conditions and requirements strictly of both trade creditors and lender and make timely payment, as well as following the affirmatives give to the creditors throughout the liable periods and provide information with accuracy, transparency, equity and fairness.

Community and Society

The Company clearly states in its policy of carrying out business by being a good corporate citizenship, integrity and trust with duty and responsibility to the surrounding communities and society by supporting activities for improving quality of life for benefit of the community through various corporate social responsibilities. The Company does not regard its implementation according to the specified policy as an option, but it determines to incorporate them into its business plan.

The Company also focuses on environmental protection, rigorous and continuous throughout in order to maintain good environment forever with the implementation and strict compliance in all production processes and all work procedures including compliance with strict environmental laws and regulations. Every company in the Tata Group has committed to make a significant leadership role in "Climate Change" as a result of global warming. It also requires the introduction of the concept. "Back to Nature (green)" is used in all stages of the business of the organization.

Government authorities

The Company operates and compliance with the law. Strict regulations all employees must abide by the laws and regulations of government agencies involved. And to cooperate with the government continues.

Media & Reporters

The Company gives importance to the disclosure of the media for communication to the public widely on the basis of accuracy and up to date information.

Category IV**Disclosure and Transparency**

The Company has always recognized the importance of taking responsibilities in disclosing the Company's financial and non-financial information to foster greater transparency and accountability as well as the highest benefits of shareholders, investors, analysts, and stakeholders. Such information shall be accurate and complete, creating no misunderstanding or misinterpretation. Also, such information shall be up-to-date and timely as specified by the Securities and Exchange Commission (SEC) and relevant agencies.

The Management shall be responsible for the communication and disclosure of important information in accordance with the requirements of both periodic and non-periodic reports. The periodic report includes financial statements, annual statements (Form 56-1) and annual report (Form 56-2), while the non-periodic report shall involve in asset acquisition and distribution,

participation and cancelation of joint venture, increase and decrease of investment capital, issuance of new securities, and buy-back of shares.

The Company has established the Corporate Secretary Office to serve as the Company's information disclosure center for both normal situations and urgent cases. Samples of information are described as follows:

1. Financial and non-financial information with complete, accurate, and unbiased details both in Thai and English languages complying with the SET's news system (www.set.or.th) / the Company's website (www.tatasteelthailand.com).
2. Analytical explanation of financial status and overall performance of each quarter (the SET's news system (www.set.or.th) / the Company's website (www.tatasteelthailand.com/newspaper).
3. The up-to-date shareholding structure with complete details of the proportion of major and minor shareholders. There shall be no pyramid-type shareholding or cross-shareholding structures in the Company. The structure can unveil the information of the Beneficial Owner as well as the shareholding information of the Board of Directors and executives. In total, shareholding of all Directors shall not exceed 1 (one) percent of the issued and traded shares (annual report / the Company's website (www.tatasteelthailand.com)).
4. The information in the annual report shall be disclosed clearly and completely for the benefits of shareholders' decision making, for instance, the analytical information on financial status and operating performance, industry overview and competition, business risk, profile of the Board of Directors and executives, remuneration of the Board of Directors and high-ranking executives, and the Board of Directors' meeting attendance (the Company's website (www.tatasteelthailand.com)).
5. Financial statements in accordance with generally accepted accounting principles audited by an independent auditor qualified and approved by the Securities and Exchange Commission (SEC). The Company shall not delay the submission of quarterly and annually financial statements to the Stock Exchange of Thailand (SET) and the SEC (the SET's news system (www.set.or.th) / the Company's website (www.tatasteelthailand.com)).
6. The information on inter-related transactions (if any).

In addition to the disclosure of information specified by the Securities Exchange Commission (SEC), the Securities Exchange of Thailand (SET), and relevant authorities, the Company has assigned its President as "Speaker" to communicate on the Company's information to the public, while assigning the Corporate Secretary to manage the overall function of Investor Relation by being responsible for communicating and coordinating with individual shareholders, institutional shareholders, general shareholders, analysts, and other related agencies. The Company shall provide convenient channels for accessing the Company's information such as meeting materials, operating performance materials, and other relevant reports via the Company's website (www.tatasteelthailand.com). This policy has been developed to strengthen investors' understanding and confidence towards the Company.

Furthermore, the Company has developed its policy on quarterly press briefing to disseminate its operational performances to the public via several types of media, for instance, newspapers and magazines. The Company's President and CEO, Chief

Operating Officer, Vice President - Human Resources, Vice President-Marketing, and Sales have all been assigned to provide interviews on behalf of the Company.

During 2016-2017, after having submitted the quarterly and annual operational performance to the Stock Exchange of Thailand (SET), the Company is required to hold a press briefing to announce the overall performance, business directions, and steel market trends to the public. Approximately, 15-25 participants are expected to attend each meeting.

Category V

Responsibilities of the Board of Directors

The Company has specified roles and responsibilities of the Board of Directors to ensure they can perform their duties based on “integrity, carefulness, and circumspection” with the objective to provide all shareholders with equitable treatment and create mutual confidence between shareholders and the Company. The Company’s management system complying with good corporate governance principles has been implemented to ensure honest, reasonable, and independent supervision and operations under the legal framework and business ethics aiming for greater performances of the Board of Directors, particularly to maximize benefits for all stakeholders.

Structure of the Board

The Company has remained firm in checking and balancing the management principles, while emphasizing clearly on the Board Diversity strategy. The Board of Directors comprises of qualified persons with highly appropriate knowledge, ability, experience, professionalism, gender, and leadership backed by organizational management skills and perspectives strictly committing to time and efforts for functioning and responding for the position of Director, who can express freely and independently to benefit the Company’s business operations. Ad-hoc committees have also been appointed to consider specific matters leading to appropriate decision making in compliance with corporate governance principles.

In addition, the Board of Directors has also been required to appoint the qualified and experienced Corporate Secretary to be responsible for secretariat matters in accordance with the provisions of Section 8, 8.3 Management Structure.

Duties, Roles, and Responsibilities of the Board of Directors

The Board of Directors shall devote time and effort for the Company and would never seek personal gain or be involved in any conflict of interest deemed to have competed with business operations of the Company and its subsidiaries. The ultimate goal is to keep the business stable for the balanced and sustainable benefits of all stakeholders, while being able to increase the value of shareholders in the long run, conforming to the Company’s vision and goal.

Meanwhile, the Board of Directors is responsible for defining the Company’s visions, missions, management strategies, long-term plans, and annual budgets by delegating the Management to propose the aforementioned matters to the Board of Directors, which would be discussed fully and mutually based on cautiousness, honesty, and accountability aiming for greater business efficiency. During 2016-2017, the Board of Directors has fully reviewed the Company’s operations and budget

allocation plans to effectively facilitate the Company's research and development procedures on a quarterly basis, while evaluating the overall performance of the Company and its committees.

Furthermore, the Company has developed effective monitoring and supervision measures for senior executives to review, improve, and develop the Company's risk management, internal control, and audit systems in line with diversified circumstances, while being able to oversee and develop corporate governance principles to align with internationally accepted standards.

Authority of the Board of Directors

1. approve annual operation plan, annual investment plan, mid-term or long-term plan
2. approve short/long term loan from banks/financial institutions, placing collateral as loan guarantee, signing on approved loan agreement or cancellation of loan term
3. approve on open/close bank accounts
4. approve of using/changes to accounting principle, or update/change to schedule of depreciation rate
5. approve of financial statements and allocation of accumulated profit
6. approve on selling tangible and other assets not including land and building of higher value over Executive Committee's authorization
7. approve purchase, sell, exchange, mortgage, sale with right of redemption, lease, rent, or let of land and buildings
8. approve on HR, organizational structure, HR planning, nomination and recruitment of senior executive and budgeting for annual raises and bonus
9. approve on joint-venture, stock investment
10. approve on matters submitted to AGM

Duties of Chairman of the Board of Directors

The primary function of the Chairman of the Board of Directors is to lead and manage the Board. The Chairman is responsible for all implementations of the Board and act as a direct liaison between the Board of Directors and the Management through the President of the Company. Also, the Chairman has been expected to disseminate the Board's resolutions to all parties involved, ensuring that all requirements would be implemented in the most productive and appropriate way.

With different responsibilities between the Chairman as a policy leader and the President as a leader of corporate management, the Company has determined to separate roles and responsibilities between the Chairman and the President clearly. As a consequence, the Chairman would remain independent of the Management and be involved in no business benefit or relationship that may possibly hinder his independent discretion.

Significant roles and responsibilities of the Chairman are as follows:

1. Guiding the Board to ensure its effective functioning.
2. Providing the President and the CEO with independent advices.
3. Consulting with the President, CEO, and Corporate Secretary to propose meeting agendas.

4. Encouraging all members of the Board of Directors to freely debate issues, raise inquiries, and express productive opinions during meetings.
5. Fostering constructive relationship for members of the Board of Directors and the Management.
6. Ensuring effective communication with all shareholders.

The Audit Committee

The Audit Committee was first appointed by the Board in the year 2002. Currently it consists of three Independent Directors. Ms. Rawewan Peyayopanakul, committee member, has extensive experience in the area of accounting and finance.

The Audit Committee has the duty to review the correctness of the financial statements and review the Operations to be in compliance with the policy and Company's regulations, along with the laws, regulations and guidelines of the supervisory agencies responsible for developing financial and accounting system to be in line with international standards. The review ensures that the Company has internal control system, internal audit system and risk management system which are concise, appropriate, up-to-date and efficient.

The Board has authorized the Audit Committee to express its opinion independently. Since 2009, the Board of Directors appointed an internal audit team within the company that reports directly to the Audit Committee. When needed, the Audit Committee may seek an external independent advisory at the Company's expenses.

The Executive Committee

The Executive Committee was also appointed by the Board for the first time in the year 2002. It consists of four Directors with the responsibility to supervise the Company's operation as assigned by the Board of Directors to consider the policy, strategies, structure and administration authority, business plans, budget allocation and supervising and monitoring of Company's operation, along with screening the matters before presenting to the Board of Directors for consideration.

The Corporate Governance, Nomination and Remuneration Committee (Compensation Committee)

The Board of Directors had established the Corporate Governance, Nomination Committee and the Remuneration Committee in the year 2004. Later on 31st of January 2013, the Board of Directors approved merging of the 2 sub-committees to facilitate and streamline its working and reduce cost.

The Compensation committee includes four members of the Board of Directors, and half of these are independent directors, having the duty on corporate governance namely: to propose, review and supervise the functions of the Board of Directors and Executives in accordance with the Company's corporate governance guidelines; to consider selection process and recruit appropriate person for nomination as Director or President & CEO or replacement of the retiring Director or in other cases. It has the duty to study, consider and monitor the change and trend of the remuneration of the Board of Directors, Members of Committees, President & CEO and the senior management of the Company.

Terms of the Board of Directors and Committees

The term of office of each director shall be for three years, provided that at every annual general meeting of shareholders, one-third of the directors retire. Directors have to jointly agree on the retiring sequence and the director who vacates his office may be re-elected with no limit on terms. The term of members of other Committees shall be equal to the tenure of the director on the Board and the director will vacate the Committee as soon as he/she steps down from the Board.

Serving on other Company Boards by Directors and President and CEO

The Company has no policy in place yet on maximum number of other listed companies allowed for each director to serve as the member of their boards. Half of the current Board of Directors are Thai while the rest are non-Thai. The non-Thai directors do not have their domicile in Thailand; therefore they do not sit on other listed company boards in Thailand. According to the data captured during the last five years, no Thai director has served on more than five other listed company boards. Each of the directors is capable to perform their duties and dedicate appropriate time and efforts for the company.

Since the President & CEO is an inside director, just like other employees, he has to dedicate his full efforts for the Company according to the terms of the employment contract. President & CEO who also serves as a director on the Company does not serve as a director in other listed company, except on the board of the subsidiaries. In any case, the association with other companies outside Thailand has to be declared in the resume printed in the annual report.

Meeting of the Board of Directors

The Company has scheduled at least 5 (five) annual meetings each year, where all members of the Board of Directors would be informed in advance. Pre-circulated agendas would be determined for each meeting, both for the Board of Directors and the subcommittee. The Company shall also be required to make a follow-up action on each implementation and its outcomes, while being prepared to call any ad-hoc meeting in case of emergency. For each meeting, the invitation letter as well as agenda and supportive documents would be delivered to all members of the Board of Directors within a period of 7 (seven) days prior to the actual meeting date.

For each meeting, in addition to the quorum required by law, there shall be at least half of the total number of the Board of Directors attending a meeting. The Company has also set a minimum quorum policy for the Board of Directors' voting, requiring at least two-thirds of the total number of the Board Directors to be in line with good corporate governance principles. Meanwhile, the Chairman presiding over the meeting would provide the Board of Directors with an opportunity to express their opinions freely and independently, with sufficient time allocated for discussion in the meeting. Each agenda would be discussed based on the fairness and benefits of all shareholders and stakeholders. For the resolution of each agenda, the majority vote would be adopted, where 1 (one) member of the Board of Directors would be eligible to cast 1 (one) vote. In case of equal votes, the Chairman of the meeting would be required to cast his final vote. However, any member of the Board of Directors having an interest in a discussing agenda would not be allowed to attend the meeting.

As a meeting is ended, all agendas would be recorded clearly in a written form, with significant details including the list of members of the Board of Directors attending the meeting, members of the Board of Directors not participating in the meeting, participants in the meeting, and feedbacks and comments on different agendas.

During 2016-2017, the Company has held 5 (five) board meetings. It is reported that 100% of the total number of the Board of Directors have attended the meeting, where the proportion of the Board of Directors' individual attendance rate is estimated to remain at 100% throughout the years as well. The management team is present for the meetings on a regular basis, as part of the strategy to provide further information for those who directly encounter problems, where the Board of Directors' policies and decisions can be acknowledged immediately to stimulate greater operational effectiveness. However, in some cases, only the Board of Directors or non-executive directors would be required to attend certain meetings to ensure genuine independence in making decisions and expressing opinions. Additionally, non-executive directors are allowed to hold further discussion outside the meeting requirements on a quarterly basis.

The summary of the total number of meetings and attendance of the Board of Directors during 2016-2017 is detailed in Section 8 Management Structure, 8.1.

Performance Evaluation of the Directors

According to the good Corporate Governance, the Board of Directors require the Directors and Committees to evaluation the performance annually to ensure that the Directors' performance is effective and fair toward all Stakeholders. The evaluations are both as a whole Board and as individual. The Board of Directors regard that the evaluation would be the tool to help considering the result of the performance including the obstacle during the past year. The result will be analyzed and considered to find the conclusive standard for further development.

The Board's performance evaluation is considered from 1) The structure and qualification of Board of Directors 2) Duties, Roles, and Responsibilities of the Board of Directors 3) The meeting of Board of Directors 4) The relationship with Management team 5) Self-development if Directors and executive and 6) Committees. The individual's performance evaluation is considered from 1) The readiness of the Directors 2) Strategy planning and business planning 3) Risk management and internal control 4) Conflict of interest management 5) The follow-up of financial statement and the Company's operational and 6) The meeting of Board of Directors. The evaluation process as follow;

1. The Corporate Governance, Nomination and Remuneration Committee review the performance evaluation for completion, correction and current.
2. The Company's Secretary compiles the result and comments of the performance evaluation.
3. The Company's Secretary concludes the result of the evaluation and proposes to the Board of Directors for further development.

As for the performance evaluation of Committees; Audit Committee and Corporate Governance, Nomination and Remuneration Committee use the same procedure of evaluation as the performance evaluation of the Board of Directors.

Finally, the Directors commented thoroughly and independently in the performance evaluation form of the Board of Directors and Committees for year 2016 – 2017. The result of the evaluation is “Good”.

Performance Evaluation of the President & CEO

The Company has reviewed the President’s performance on a yearly basis. The Board of Directors would consider and grant an approval for a performance result in accordance with principles of the Corporate Governance Committee and the Nomination and Remuneration Committee. The evaluation would be based on the President’s performances in various aspects, for instance, leadership, policy and strategy determination, financial management, relationship with the Board of Directors and outsiders, product and service knowledge, and performances compared to other business companies in the same industry. During 2016-2017, the overall evaluation result is in line with the standards and requirements set by the Company.

Business Ethics

The Company conducts its business based on 5 core values of “Pioneering, Integrity, Excellence, Responsibility and Unity” under Tata Code of Conduct (TCoC). This code represents company’s core values and principles that guides and directs the business operations for the Tata Group. This ensures that the Company operates at the highest level of ethical standards.

TCoC has been translated into Thai language for easy understanding by employees and other local stakeholders. A copy of the same has been distributed to the Board of Directors, The Management Committee, the Company’s Executives, and every employee. The distribution of this document has also been extended to external stakeholders both in the public and private sectors that conducts business with Tata Steel (Thailand). In addition to this, the Company’s management has organized an appropriate level of oversight and communication to encourage employees at all levels to uphold these Code of Conduct in day to day business activities in strict manner. This refers to the transparency, honesty, and fairness. All employees of the Company were required to attend ethics seminars and were tested accordingly. Furthermore, employees were required to sign a pledge to abide by the strict guidelines set out in the Code of Conduct.

Tata’s Code of Conduct is treated as a live document. As such, it is continuously modified and improved to reflect the cultural norms and rules that constantly change. The latest modification of the Code of Conduct was done in July 2015.

In the event that the Company’s Code of Conduct is violated, a report must be made to the superiors according to the Company’s hierarchy. Since 2008, the Company has established an Ethics Counselor to encourage employees to send complaints or report on actions that violate the Company’s Code of Conduct.

Furthermore, the Company has announced “Policy and procedures on petitioning of Code of Conduct violation” (Whistle blower Policy and Practices) to safeguard employees and external stakeholders who choose to report on the violation or possible violation of the Code of Conduct to the Chairman of the Audit Committee or the Ethics Counselor or to other company’s specific units safely and practically.

Since 1st October 2017, The Company started TCOC Helpline, a new way to connect employees , contractors and partners to a third party who is independent from Tata Steel (Thailand) Group, is based in a different country and is an expert in taking note of the code of conduct violation from employees or contractors. The service is totally confidential and is available at any time,

24 hours a day, 7 days a week. The Helpline can call for free on 001800 441 0657. Calls made at this number are not recorded. Hence the users can remain anonymous. Alternatively, the users can make a report via the In-Touch website <http://www.speak-up.info/tsth/>. The whistle blower identity will not be recorded to ensure that all reports are the highest confidentiality and the whistle blower's identity will remain anonymous.

Anti-Bribery and Anti-Corruption

The Company operates fairly and transparently by enforcing covenants relating to the prevention, stopping, and investigating of racketeering, corruption, and bribes. In addition to this the Company established a clear policy that discourages bribes and all forms of corruption. Furthermore, the Company also cooperates with both the public and private sectors to build standards on clean business conducts

In 2014, the Company signed Thailand's private sector's declaration of intent for a Collective Action Coalition (CAC) in resisting and discouraging corruption in all of its forms, and in 2015 the CAC directors has approved the Company as ***"a company that has been evaluated to have full procedures and clear standards that prevents corruption within the organization up to the level that is required by the CAC"***.

The Company is also a certified member of Partnership Against Corruption for Thailand (Pact) and signed a declaration to promote children's rights and business principles at The Children Sustainability Forum hosted by Thaipat Institute and UNICEF.

All Board Members, senior executives and all employees shall comply with the above said policy. The Company takes a zero-tolerance approach to corruption and does not, either directly or indirectly, through intermediaries or other third parties, solicit, receive, offer, promise or provide any financial or other advantage of material value or otherwise exercise improper influence with the intention of obtaining advantage in the conduct of its business.

Internal Control and Internal Audit

The Company encourages employees at all levels to realize the importance of internal control and internal audit system by setting up efficient controlling/monitoring procedures throughout the organization. The intent is to have a compliant process to maintain flexibility where employees can control, supervise, evaluate and review their own work to minimize the risk of fraudulent acts and improper exercise of power and to prohibit illegitimate activities.

Since 2009, the Company has also set up its own internal audit office. This office has the responsibility to supervise the internal audit work of the Company and its subsidiaries. Internal Audit team operates under the supervision of the Audit Committee. The Audit Committee carries out quarterly review to oversee compliance with the policies, plans, authority and regulations, including evaluating the risk management and internal control for appropriateness and effectiveness. This is done to ensure that major operations and significant financial transactions are carried out according to the prescribed guidelines and regulations.

Additional details appear in Section 11 "Internal Control and Risk Management".

Handling of Conflict of Interest

The Company places high importance on the handling of Conflict of Interest issues with caution. Directors, Executives and employees are expected to work with honesty, independence and in a transparent manner in the overall interest of the Company and Shareholders by following the guidelines of SEC, SET, Company's Article of Association and relevant laws. It also reports and discloses complete and clear information on Company's operation. Care is taken to not disclose insider information or uses such information for personal advantage. If any of the Directors has a stake or interest in the matter discussing, he/she will not attend such meeting or will abstain his/her vote.

Moreover, the Company emphasizes the strict compliance with the Code of Conduct in business operation and has set clear guidelines on the subject for employees at all levels.

Risk Management

The Company has implemented appropriate risk management system by adopted an international standard to be applied for the Company's business. It has appointed the Risk Management Committee consisting of the Management from each major department of the Company and its subsidiaries to define and revise the administrative policy and strategy, the organization-wise implementation, including risk factors, risk probability, impact to the Company's performance and risk mitigation plans.

Moreover, the appropriate plan and process to mitigate risks are defined, followed up and reviewed to increase its effectiveness. The Company has also assigned the Audit Committee to evaluate the effectiveness of risk management system and report to the Board of Directors regularly.

Training and development Programs for Directors and Executives

As the Company has always recognized the importance of duties and responsibilities of the Board of Directors and executives, it is greatly necessary to provide them with knowledge development programs related to the Company's business operations. The Company has arranged an orientation for new members of the Board of Directors and executives, with the expectation to maximize knowledge and skills required for quality performances. Excellent training programs are basically organized by reputed institutions, including the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), the Thai Institute of Directors (IOD), and nationally renowned universities, aiming to maximize knowledge and ability to perform work effectively and keep pace with changing business situations. All Thai directors have been trained in various extents relevant to the IOD's duties detailed in Attachment 1.

During 2016-2017, Mr. Rajiv Mangal, President of the Company, is the only member of the Board of Directors participated in the knowledge development program named Director Certification Program (DCP : 230/2016) provided by the IOD.

10. Corporate Social Responsibility

Details on this topic are in the "Sustainability Report" which we provide in the separated book.

11. Internal Control System

The Board of Directors has assigned the Audit Committee to review the financial reporting process of the Company and its subsidiaries in accordance with generally accepted and consistently applied accounting standards in-line with the rules and regulations of the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”) as well as concerned legislation. The responsibilities of the Audit Committee include reviewing the Company’s performance in compliance with good corporate governance principles, maintaining suitable, effective and well-recognized internal control and audit systems, the selection and recommendation of external auditors, and any other tasks assigned by the Board of Directors.

The Company’s Internal Audit Department is responsible for reviewing the adequacy and effectiveness of the Company’s internal control systems for TSTH and its subsidiaries. The department will report its findings and recommendations to the management and the Audit Committee. The internal control reviews are performed to ensure the existence of an effective system of internal controls which provide reasonable assurance for achievement of the Company’s objectives. The Risks at all levels of the Company are managed through an effective internal control system and documented in TSTH’s Internal Control System Evaluation Form of Sufficiency in line with the requirements of The Securities and Exchange Commission (SEC) of Thailand.

The Board of Directors of the Company in Meeting No. 87 (1/2017-2018) held on May 9, 2017, which was attended by all members of the Audit Committee, considered the recommendations of the Committee, evaluated its opinion on the internal control systems of the Company and its subsidiaries for 2016-2017 and found the internal control systems to be adequate. The internal control system in use at the Company has adopted to the internal control framework as advocated by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). The summary of TSTH’s internal control systems in-line with the COSO principle has been detailed below.

CONTROL ENVIRONMENT

The Company prepares short term and long term plans which are approved by the Board of Directors. These plans form the basis of arriving at employee goals and objectives at all operating units and the steps to be followed to achieve the Company’s objectives. These objectives are reviewed from time to time. The Company has a well-structured organization in place that describes the individual’s responsibility for key businesses and other functions. All employees have been provided the TSTH Policies Handbook which contains all of the policies that facilitate in improving the control environment. TSTH has a detailed Code of Conduct for its Directors, executives and employees. The Code of Conduct of the Company has been announced to, read, and signed off by all employees. The Anti-Corruption Policy has been implemented by TSTH to conduct the Company’s global business operations honestly, fairly, without corruption or bribery and with accountability. These policies are also published on the website of Tata Steel (Thailand) Public Company Limited.

ENTERPRISE RISK MANAGEMENT

The Company has a method to identify and consider the implications of business risk factors which are continuously updated with changes in economic scenario, financial outlook, relevant industry environment and internal resources. Risks are prioritized based on the likelihood of occurrence and severity impact on the achievement of business objectives. During the year, another dimension of Risk Velocity has also been added. Risks Assessment Matrix is cascaded throughout the Company.

Head of Departments who formulate the comprehensive action plan to mitigate the risks. The review and monitoring is performed regularly through the corporate level meeting of Management Team. Enterprise Risk Management is an integral part of the President's report in the Board Meetings.

OPERATIONAL CONTROL OF MANAGEMENT

The Company has established policies and procedures that are appropriate for the efficient operations of the business. These include the determination of clear scope, responsibility and authority for each level of management, and monitoring of the operation of the Company and its subsidiaries on a regular basis. Appropriate internal controls are also evident in transactions concerning major shareholders, Directors and management team or related parties.

INFORMATION TECHNOLOGY AND COMMUNICATION

The Company and its management ensure that adequate and sufficient information is provided to the Board for their review and consideration. The minutes of the meeting of the Board of Directors are prepared by the Company Secretary. The minutes cover all aspects of discussion held during the Board meeting. The minutes of the meeting are reviewed and signed off by the Chairman of the meeting. The Company Secretary fulfills any requirement or provides any information needed to provide assistance to the Directors as requested. The Company has a Whistleblower Policy which provides channels for employees to lodge any concern or complaints anonymously. The website of the Company provides various communication channels for external parties, e.g. Investor Relations, Customer Relation, etc. The Company provides a communication channel to external parties who may wish contact the Company's Independent Directors directly by sending an email to: msamaram@gmail.com.

Ms. Rawewan Peyayopanakul will become the Chairman of the Audit Committee as of July 8, 2017 on retirement of Mr. Maris Samaram. Ms. Rawewan can be reached by sending an email to veepee365@gmail.com

MONITORING

The annual operational performance and budgets of the Company and its subsidiaries are reviewed and approved by the Board of Directors. The Company's quarterly and annual consolidated and separate financial statements are reviewed and approved by the Audit Committee and proposed to the Board for its consideration and approval. The Management evaluates the capability of the internal control system on an annual basis and updates it accordingly to reflect the evolving needs of the business.

The Company's Internal Audit Department formulates the annual internal audit plan which is approved by the Audit Committee. The risk-based audit plan considers several risk factors and the results of previous internal audit reviews. The Internal Audit Department reviews the internal control system throughout the various business processes and across all subsidiaries according to its Annual Internal Audit Plan. The deficiencies and recommendations are communicated to parties responsible for implementation. The audit reports and findings are presented to the Audit Committee on quarterly basis.

12. Connected Transactions

Characteristics of connected transactions

For the 12-month period ending March 31, 2017, March 31, 2016 and March 31, 2015, the Company entered into connected transactions with related companies as summarized below:

Type of Connected transactions

Unit: (in Thousand Baht)

	Mar 31, 2017	Mar 31, 2016	Mar 31, 2015
Sales	1,027,145	1,166,977	910,270
Dividend received	-	52,560	16,800
Other income	8,319	8,059	8,703
Purchases	1,400,881	2,147,396	1,125,724
Purchases of assets	7,766	720	-
Interest expenses	1,520	6,880	-
Other expense	13,001	10,543	20,039
Trade accounts receivable	236,845	175,368	-
Receivables and loan to borrowers	754	950	812
Other non-current assets	71,220	71,220	71,220
Trade accounts payable	19,691	459,311	290,265
Payables and loan from lenders	28,959	12,405	3,213
Advance received from customer	-	46,100	99,658
Short-term loans	-	201,822	-
Current-portion of long-term loans	270,596	-	-
Long-term loans	-	270,596	270,596

Details of each connected transaction are as follows:

Details of Sales with related parties

Unit: (in Thousand Baht)

	Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
				Mar 31, 17	Mar 31, 16	Mar 31, 15
1	The Siam Industrial Wire Co., Ltd.	Manufacture Steel Wire	Same group of shareholder	472,033	464,640	666,717
2	Tata Steel Limited	Manufacture Steel	Parent company	450,145	666,183	212,103
3	TSN Wires Co., Ltd.	Manufacture galvanized steel wire	Same group of shareholder	104,967	36,154	31,450
Total inter-company sale transactions				1,027,145	1,166,977	910,270

Details of Dividend received with related parties

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1 Siam Steel Mill Services Co.,Ltd.	Recycle	Hold share indirectly	-	52,560	16,800
Total inter-company Dividend received transactions			-	52,560	16,800

Details of Other income with related parties

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1 Siam Steel Mill Services Co.,Ltd.	Recycle	Hold share indirectly	8,319	8,059	8,703
Total inter-company other income transactions			8,319	8,059	8,703

Details of Purchases with related parties

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1 NatSteel Recycling Pte. Ltd	Trading	Same Group of Shareholder	235,384	239	404,142
2 Siam Steel Mill Services Co.,Ltd.	Recycle	Indirect shareholding by subsidiary	187,381	182,971	221,788
3 Tata Steel International (Singapore) Pte. Ltd.	Trading	Same group of shareholder	16,378	24,243	24,774
4 Nat Steel Trade International Pte.Ltd.	Trading	Same group of shareholder	-	-	273,247
5 Tata International Metals Trading Asia Ltd.	Trading	Same group of shareholder	950,531	1,917,153	181,782
6 Tata Steel Limited.	Manufacture Steel	Parent company	6,530	-	-
7 Tata Steel Asia (Hong Kong) Ltd	Trading	Same group of shareholder	-	-	1,452
8 Tata International Limited	Trading	Same group of shareholder	4,677	22,790	18,539
Total inter-company purchase transactions			1,400,881	2,147,396	1,125,724

Details of Purchases of assets with related parties

Unit: (in Thousand Baht)

	Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
				Mar 31, 17	Mar 31, 16	Mar 31, 15
1	Tata Steel Limited	Manufacture Steel	Parent company	5,449	720	-
2	Natsteel (Xiamen) Ltd.	Manufacture Steel	Same group of shareholder	2,317	-	-
Total inter-company Purchases of assets transactions				7,766	720	-

Details of Interest expenses with related parties

Unit: (in Thousand Baht)

	Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
				Mar 31, 17	Mar 31, 16	Mar 31, 15
1	T S Global Holding Pte. Ltd.	Investing	Shareholder	1,520	6,880	-
Total inter-company Interest expenses transactions				1,520	6,880	-

Details of Other expense with related parties

Unit: (in Thousand Baht)

	Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
				Mar 31, 17	Mar 31, 16	Mar 31, 15
1	Tata Consultancy service(Thailand) Ltd	computer consultant service	Same group of shareholder	-	-	11,092
2	Mjunction Service Limited	Trading and procurement	Same group of shareholder	58	489	-
3	The Siam Industrial Wire Co., Ltd.	Manufacture Steel Wire	Same group of shareholder	42	240	-
4	Tata Steel Limited	Manufacture Steel	Parent company	-	-	11
5	Tata Sons Ltd.	Investing	Same group of shareholder	890	754	757
6	Tata South East Asia (Cambodia) Ltd.	Trading	Same group of shareholder	3,448	-	-
7	NatSteel Holdings Pte. Ltd.	Manufacture steel	Same group of shareholder	22	60	80
8	Siam Steel Mill Services Co., Ltd.	Recycling and reprocessing steel scrap	Indirect shareholding by subsidiary	8,541	9,000	8,099
Total inter-company other expense transactions				13,001	10,543	20,039

Details of Trade Accounts Receivable with related parties

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1 TSN Wires Co., Ltd.	Manufacture galvanized steel wire	Same group of shareholder	7,036	4,616	-
2 The Siam Industrial Wire Co., Ltd.	Manufacture Wire rod	Same group of shareholder	33,585	-	-
3 Tata Steel Limited	Manufacture steel	Parent company	196,224	170,752	
Total inter-company Trade Accounts Receivable transactions			236,845	175,368	-

Details of Debtors and loan with related parties

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1 Siam Steel Mill Services Co.,Ltd.	Recycle	Hold share indirectly	601	805	788
2 Tata Steel Limited	Manufacture steel	Parent company	16	16	24
3 Tata Sons Ltd.	Investing	Same group of shareholder	137	129	-
Total inter-company Debtors and loan transactions			754	950	812

Details of Other non-current asset with related parties

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1 T S Global Holdings Pte. Ltd.	Investing	Shareholder	71,220	71,220	71,220
Total inter-company Other non-current asset transactions			71,220	71,220	71,220

Details of Trade Accounts Payable with related parties

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1 Tata International Metals Trading Asia Ltd.	Trading	Same Group of Shareholder	-	436,940	179,848
2 Tata steel International (Singapore) Pte. Ltd.	Trading	Same Group of Shareholder	-	5,340	4,370
3 NatSteel Recycling Pte. Ltd	Trading	Same Group of Shareholder	-	(498)	84,207
4 Siam Steel Mill Services Co.,Ltd.	Recycle	Hold share indirectly	17,198	17,529	21,840
5 Tata Steel Limited	Manufacture steel	Parent company	2,493	-	-
Total inter-company Trade Accounts Payable transactions			19,691	459,311	290,265

Details of Creditors and loan with related parties **

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1 Siam Steel Mill Services Co.,Ltd	Recycle	Hold share indirectly	950	306	825
2 Tata Consultancy service(Thailand) Ltd	computer consultant service	Same group of shareholder	-	-	1,902
3 The Siam Industrial Wire Co., Ltd.	Manufacture Steel Wire	Same group of shareholder	-	-	441
4 Tata Sons Ltd.	Investing	Same group of shareholder	23,361	11,773	33
5 Tata Steel UK Ltd.	Manufacture Steel	Same group of shareholder	-	-	12
6 Tata Steel Limited	Manufacture Steel	Parent company	3,978	326	-
7 Tata South East Asia (Cambodia) Ltd.	Trading	Same group of shareholder	670	-	-
Total inter-company Creditors and loan transactions			28,959	12,405	3,213

Remark: ** Detail of creditors and loan with related parties above was normal transaction between the Company and its subsidiaries and related companies, in which if the transaction above is classified as core business of each company, it will be treated as trade accounts payable with related parties, but if it's not core business, the transaction will be recorded as the creditors and loan with related parties.

Details of Advance received from customer with related parties

Unit: (in Thousand Bah

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1. The Siam Industrial Wire Co., Ltd.	Manufacture Steel Wire	Same group of shareholder	-	46,100	99,658
Total inter-company Advance received from customer transactions			-	46,100	99,658

Details of Short-term loans with related parties

Unit: (in Thousand Bah

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1. T S Global Holdings Pte. Ltd.	Investing	Shareholder	-	201,822	-
Total inter-company Short-term loans transactions			-	201,822	-

Details of Current-portion of long-term loans with related parties

Unit: (in Thousand Bah

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1. T S Global Holdings Pte. Ltd.	Investing	Shareholder	270,596	-	-
Total inter-company Current-portion of long-term loans transactions			270,596	-	-

Details of Long-term loans with related parties

Unit: (in Thousand Bah

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 17	Mar 31, 16	Mar 31, 15
1. T S Global Holdings Pte. Ltd.	Investing	Shareholder	-	270,596	270,596
Total inter-company Long-term loans transactions			-	270,596	270,596

Pricing Condition and Policy

The said connected transactions between the Company and subsidiaries or related companies were adopted for commercial transactions, including borrowing or grant of loans within the policy frame work of transfer pricing mechanism, with prices and interest rates applicable to ordinary person. In the absence of reference price or interest benchmark rate, the Company uses the third party prices as if operating under the same or similar conditions with significant transactions. This is based on the appraised value reported by independent appraisers.

Necessity and Appropriateness of Connected transactions

The said connected transactions have been transacted in the normal course of business and are a generally accepted trading term. The benefits to the Company from such transactions were that purchase of raw materials ensured quality and continuity of supply, sales of goods added more channels of product distribution.

Measures/Procedures of approving connected transactions

In approval of connected transactions, each subsidiary, as clearly set forth in the Authority Table of the Company, must seek approval from either its Vice President - Plant or the subsidiaries' Board of directors or President or Executive Committee or the Company's Board of directors, depending on the amount of budget involved under the Company's internal control system which has properly been set up. Such authoritative power is reviewed on a regular basis for the sake of operational flexibility and internal control.

Should there be any transactions relating to persons having conflict of interest with the Company, the Company will strictly follow rules, regulations according to the notifications of by the Securities and Exchange Commission and the Stock Exchange of Thailand, i.e., seeking approval from the Board of Directors and/ or the shareholders, with the recommendation from the Audit Committee. Directors and Executives having interest and/ or connection on a matter will not attend the meeting or vote on such matter to make the fair decisions.

The implementation also included the compliance with the regulation, in case there shall be a disclosure of connected transactions and acquisition or disposition of assets of the Company or its subsidiaries. The company conforms to the accounting standards announced by Federation of Accounting Professions with respect to the disclosure of connected transactions or connected transactions are established on the basis of necessity, reasonableness, and the optimal benefit of the company.

Policy or future trend of connected transactions

Future connected transactions between the Company and its subsidiaries or related companies will be conducted in the ordinary course of business on an arm's length basis. In respect of transactions involving persons with conflict of interests or having interests and/or connected persons, the Company will strictly perform accordingly to measures and procedures prescribed by the Securities and Exchange Commission, the Stock Exchange of Thailand and Revenue Department.