

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

On March 31, 2021, 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: <ul style="list-style-type: none"> <li>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</li> <li>Issued the preferred shares totaling 367.60 million shares to McDonald and MCL.</li> </ul> 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: <ul style="list-style-type: none"> <li>• Conversion of preferred shares to ordinary shares up to 79.93 million shares.</li> <li>• 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).</li> </ul> <p>Its registered capital was 8,742.66 million shares with its paid-up capital of 5,578.06 million shares.</p>

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 20,685 Shareholders on the book closing date on May 24, 2021 for the right to attend the Annual General Meeting of Shareholders No. 20 are detailed below;

Name	Ordinary Shares	%
1. T S Global Holding PTE Limited <sup>(a)</sup>	5,718,472,083	67.90
2. Mr. Veeraphan Theepsuwan	395,855,000	4.70
3. Bangkok Bank Public Company Limited	296,050,796	3.52
4. Mr. Viroj Ungpaiboon	273,002,901	3.24
5. Mr. Theerachai Keeratitechakorn	117,582,900	1.40
6. Thai NVDR Company Limited <sup>(b)</sup>	108,416,694	1.29
7. Pershing LLC	96,120,908	1.14
8. Mr. Ampon virojvechapand	61,636,000	0.73
9. The Estate of Mr. Veeraphan Theepsuwan	58,000,000	0.69
10. East Fourteen Limited <sup>(c)</sup>	27,901,300	0.33
<b>TOTAL</b>	<b>7,153,038,582</b>	<b>84.94</b>
11. Other Shareholders (20,671 persons)	1,268,502,266	15.06
<b>GRAND TOTAL</b>	<b>8,421,540,848</b>	<b>100.00</b>

### 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](http://www.set.or.th)

(c) East Fourteen Limited comprises;

1. EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD
2. EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT
3. EAST FOURTEEN LIMITED-DFA EMERG MKTS SOCIAL CORE PORT
4. EAST FOURTEEN LIMITED-DFA-TA WORLD EX US CORE EQ DFAIDG
5. EAST FOURTEEN LTD-WORLD EX U.S. TARGETED VALUE PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC.

As of May 24, 2021, TSTH has 20,284 of Non-Strategic Shareholders (Free-Float), is equivalent to 2,702,841,155 of ordinary shares, calculated from the total paid up ordinary shares of 8,421,540,848 or 32.09 %



### 7.3 Issuing of other Securities

– None –

### 7.4 Dividend payment policies of the Company and its subsidiary

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 the operational 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 subsidiary takes into account of each subsidiary's operating results; that is, a dividend will be declared when the subsidiary are able to general an adequate amount of the net profit and no retained deficits are reported. In addition, the subsidiary 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 2020 -2021	24	0.00	8,421.54	0	0
FY 2019 -2020	70	0.01	8,421.54	0	0
FY 2018 -2019	64	0.01	8,421.54	0	0
FY 2017 -2018	44	0.01	8,421.54	0	0
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 <sup>(2)</sup>	44	0.01	8,421.54	0	0
FY 2006 <sup>(1)</sup>	708	0.09	8,421.54	0.03	38

## 8. Organization Structure

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

### 8.1 The Board of Directors

The Company's Article of Association specifies that the Board of Directors will consist of not less than five and not more than 14 Directors. Currently, there are eight Directors including three Independent Directors, equal to one-thirds of the total number of Directors.

#### The Board of Directors as on 31 March 2021

Name	Position	Number of Meeting (During financial year 2020-21)	Attendance
1. Mr. Peeyush Gupta	Chairman	6	6 <sup>(c)</sup>
2. Mr. Alan Kam	Independent Director	6	6 <sup>(b)</sup>
3. Mr. Hatasakdi Na Pombejra	Independent Director	6	6 <sup>(b)</sup>
4. Ms. Anuttara Panpothong	Independent Director	6	6 <sup>(a)</sup>
5. Mr. Taratorn Premsoontorn	Director	6	6 <sup>(b)</sup>
6. Mr. Ranganath Raghupathy Rao	Director	6	6 <sup>(c)</sup>
7. Mr. Ashish Anupam	Director	6	6 <sup>(c)</sup>
8. Mr. Rajiv Mangal	Director	6	6

**Remarks:** (a) Attended two meetings through electronics media  
(b) Attended three meetings through electronics media  
(c) Attended six meetings through electronics media

#### Authorized Directors and Binding Signatory Procedures

Mr. Peeyush Gupta, Chairman of the Executive Committee and Mr. Rajiv Mangal, President and CEO are authorized to sign jointly with the Company's seal affixed, or Mr. Peeyush Gupta, or Mr. Rajiv Mangal are authorized to sign jointly 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 Subsidiary:

1. Any loan exceeding Baht 50 million which is 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 million which is 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 million and not in the group's annual budget.
5. Approvals or amendments of the Group's annual budget.
6. Any transactions with connected parties which is not in the course of 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.

### The Audit and Risk Management Committee #

Name	Position	Number of Meeting (During financial year 2020-21)	Attendance
1. Mr. Alan Kam <sup>(a)</sup>	Chairman	4	4 <sup>(b)</sup>
2. Mr. Hatasakdi Na Pombejra <sup>(a)</sup>	Member	4	4 <sup>(c)</sup>
3. Ms. Anuttara Panpothong <sup>(a)</sup>	Member	4	4 <sup>(d)</sup>

**Remarks: # The Audit Committee has been renamed as Audit and Risk Management Committee at the Board of Directors meeting held on April 20, 2021.**

(a) Independent Director

(b) Attended one meeting through electronics media

(c) Attended two meetings through electronics media

(d) Attended three meetings through electronics media

### Scope of authority of the Audit and Risk Management Committee

1. Supervise and review to ensure that the Company's financial reporting complies with the accounting standards as specified by the laws with transparency, accuracy and adequacy.

2. Encouraging 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 risk management system and monitoring of the overall risk management framework of the Company.
5. Review the Company's compliance 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 audit evaluation of the Company's various operations, in accordance with Financial Reporting 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 compliance 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 function's performance and coordinate with the auditors.
9. Prepare report on business supervision of the Audit and Risk Management Committee for publishing in the Company's annual report. Such report to be signed by Chairman of the Audit and Risk Management Committee and should 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 compliance with the Securities and Exchange laws, Securities exchange regulations and other laws related to Company's business.
  - Opinion on appropriateness of the audit process.
  - Opinion on transactions that may induce conflict of interest.
  - Number of the Audit and Risk Management Committee meetings and attendances of each Committee member.
  - Opinion or overall remark perceived by the Audit and Risk Management 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 or remove an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a meeting with the auditor and without the presence of the management at least once a year.
11. Appoint, revoke, transfer or terminate the Head of the Internal Audit Office (if any) or employ or change the employment terms of other members of the Internal Audit Offices.
12. Consider budget and manpower of the Internal Audit Office (if any) or employment budget of Internal Audit Offices.
13. Other functions as specified by laws or as delegated to by the Board of Directors.

### The Corporate Governance & Nomination and Remuneration Committee

Name	Position	Number of Meeting (During financial year 2020-21)	Attendance
1. Mr. Peeyush Gupta	Chairman	2	2 <sup>(c)</sup>
2. Mr. Alan Kam <sup>(a)</sup>	Member	2	2 <sup>(b)</sup>
3. Mr. Taratorn Premsoontorn	Member	2	2 <sup>(b)</sup>
4. Ms. Anuttara Panpothong <sup>(a)</sup>	Member	2	2

**Remarks:** (a) Independent Director. Ms. Anuttara Panpothong has been nominated as the Chairperson of Corporate Governance & Nomination and Remuneration Committee in the meeting held on April 20, 2021.

(b) Attended one meeting through electronics media

(c) Attended two meetings through electronics media

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

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. 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.
7. To review and recommend remuneration (including Salary increase and Bonus) for the President, Senior Management (COO and VPs) of the Company and propose to the Board of Directors for approval.
8. 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.
9. To review and recommend the budget for the salary increases, bonus and compensation for employees of the Company and its subsidiary and propose it to the Board of Directors for approval.
10. Other duties assigned by the Board of Directors.

### The Executive Committee

The Executive Committee comprises of four Directors chaired by Mr. Peeyush Gupta, and members are Mr. Ranganath Raghupathy Rao, Mr. Ashish Anupam, and Mr. Rajiv Mangal. In 2020-21, each committee member performed their duties according to the charter as set by the Board. The committee carried out its supervisory tasks that are managed in pursuance to their scope of authority.

During 2020-21, while no formal meeting of Executive Committee was scheduled, the Committee continued to guide the management on selected matters through electronic media including e-mails, video conference and circular resolutions.

### 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 the Company's operations to ensure its efficiency and appropriateness with the business situation to accomplish the objectives according to the policies and business plan prescribed by the Board of Directors.
4. Other functions as designated by the Board of Directors. The Executive Committee may authorize any executive with the authority to perform a specific function or functions as deemed appropriate.

### The Corporate Social Responsibility & Sustainability Committee

Name	Position	Number of Meeting (During financial year 2020-21)	Attendance
1. Mr. Hatasakdi Na Pombejra <sup>(a)</sup>	Chairman	2	2
2. Mr. Ashish Anupam	Member	2	2 <sup>(b)</sup>
3. Mr. Rajiv Mangal	Member	2	2

**Remarks:** (a) Independent Director

(b) Attended two meetings through electronics media

### Scope of authority of the Corporate Social Responsibility & Sustainability Committee

The Committee has the powers to seek any information or explanation from any employee or Director of the Company that is necessary to discharge its duties under the terms of reference. The Committee may also engage advisers, consultants or legal counsel as deemed appropriate and necessary.

1. Formulate the CSR Policy and recommend the same to the Board.
2. Recommend the activities and expenditure to be incurred by the Company under the CSR Policy and monitor the same.
3. Review and monitor the CSR activities to ensure that it is in compliance with the CSR Policy.
4. Discuss with the management, its perspective on social trends and public issues, and concerns which they believe may affect the Company's business activities or performance, and make recommendations to the Board regarding how the Company should respond to these trends, issues and concerns to more effectively achieve its business and CSR goals.
5. Review management's position on key stakeholder expectations involving Corporate Social Responsibility and provide perspectives for the Board's consideration.
6. Review on a continuing basis, the partnerships and relationships, both current and proposed that support the Company's sustainable growth. Review the Company's annual Sustainability Report prior to its issuance.
7. Review benchmarking of the policies, systems and monitoring processes against global best practices in CSR.
8. Review and recommend to the Board the annual budget for CSR.
9. Review reports by management on CSR initiatives.
10. Review on a continuous basis, the Company's communication strategies relating to Corporate Social Responsibility and sustainable growth.
11. Review whether the Company's disclosure requirements on CSR are in compliance with the requirement of the Stock Exchange of Thailand.
12. Review and assess the remit and reports of any audit processes to gain assurance over the CSR activities.
13. Oversee the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.
14. Oversee activities impacting the quality of life of various stakeholders.
15. Monitor the CSR policy and expenditure of the subsidiary companies.
16. Assist management in formulation, implementation and review of policies, principles and practices to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capital. Oversee Company's Occupational Safety, Health and Environment (OSHE) Plans and compliance.
17. Provide formal feedback to the Board on the matters discussed by the Committee.
18. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable

**Annual General Shareholder Meeting for year 2020**

Name	Position	Number of Meeting
1. Mr. Peeyush Gupta <sup>(a)</sup>	Chairman	1 <sup>(d)</sup>
2. Mr. Alan Kam <sup>(b)</sup>	Independent Director	1
3. Mr. Hatasakdi Na Pombejra <sup>(c)</sup>	Independent Director	1
4. Ms. Anuttara Panpothong	Independent Director	1
5. Mr. Taratorn Premsoontorn	Director	1
6. Mr. Ranganath Raghupathy Rao	Director	1 <sup>(d)</sup>
7. Mr. Ashish Anupam	Director	1 <sup>(d)</sup>
8. Mr. Rajiv Mangal	Director	1

Remarks : (a) Chairman of the Board of Director

Chairman of the Executive Committee

Chairman of the Corporate Governance, Nomination and Remuneration Committee

(b) Chairman of the Audit and Risk Management Committee

(c) Chairman of the Corporate Social Responsibility and Sustainability Committee

(d) Attended the meeting through electronics media

**The Management as on 31 March 2021**

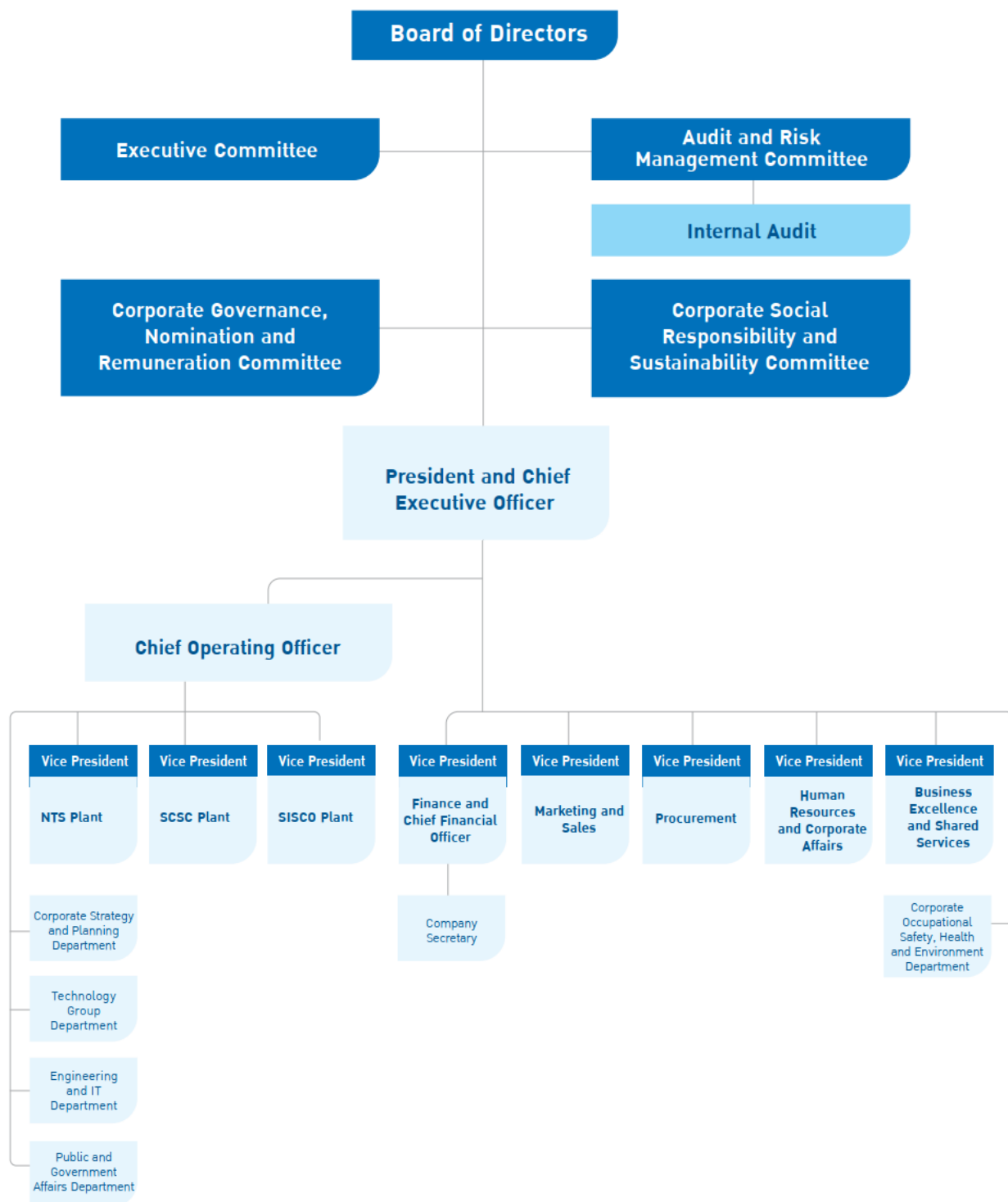
Name	Position
1. Mr. Rajiv Mangal	President and CEO
2. Mr. Wanlert Kanwivat	Chief Operating Officer
3. Mr. Jayanta Chakraborty	Vice President – Finance and Chief Financial Officer
4. Mr. Sirote Matemanosak	Vice President – Human Resources and Corporate Affairs
5. Mr. Paitoon Chuesook	Vice President – Procurement
6. Mr. Chaichalerm Bunyanuwat	Vice President – Marketing and Sales
7. Mr. Amit Khanna	Vice President – Business Excellence and Shared Services
8. Mr. Pornchai Tangworrakulchai	Vice President – NTS Plant
9. Mr. Sakchai Loyfakhajohn	Vice President – SCSC Plant
10. Mr. Rungroth Lert-A-Rom	Vice President – SISCO Plant



**Scope of authority of the President and CEO**

1. 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 and the Board of Directors.
3. Scrutinize information and facts on issues related to business operation before presenting to the Executive Committee 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 designated by the Board of Directors.

### Organization of the Company as on March 31, 2021



### 8.3 Company Secretary

The Company has appointed a Company Secretary since 2003. The Company Secretary has to carry out the duty with responsibility, precaution and faithfulness. Presently, Ms. Somjai Jarukitcharoon is the Company Secretary. She has knowledge and experience to carry out the functions of Company Secretary as well as completed the courses related to Company Secretary matter i.e. Company Secretary Program, Fundamental Practice for Company Secretary.

Company Secretary has the following duties and responsibilities:

1. Organize and facilitate board and board committee meetings
2. Organize and facilitate the annual general meeting of shareholders, and record and publish the related minutes.
3. File documents and related records as required under various regulations issued by the Securities and Exchange Commission Thailand, the Stock Exchange of Thailand and Ministry of Commerce, Thailand.
4. Monitor and ensure that the Board and the Company is in compliance with all related laws and regulations.
5. Handle corporate governance issues and provide advice on these to the Board.
6. Assist shareholders, directors and members of management with any board-related matters.
7. 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 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. As per the policy of the Company, the Executives who are nominated as a Director on the Board of the subsidiary are not paid any remuneration for the position they hold as the Director of the subsidiary.

The Board of Directors, by acknowledgement of the Corporate Governance, Nomination and Remuneration Committee, considers the duties, responsibilities, individual performance and Company's operating result in both short and long terms while deciding on the remuneration for the President & CEO and Executives of the Company and its subsidiary. 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 remuneration for the Directors. The fixed remuneration is paid every quarter and a meeting allowance, which is paid after each meeting to the Directors attending the meeting.

In case of the retiring or incoming Directors, the remuneration is paid pro-rata by calculating for the actual 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
	Director	472,500	21,000
Audit and Risk Management Committee	Chairman	168,000	15,750
	Member	115,500	10,500
Executive Committee	Chairman	-	15,750
	Member	-	10,500
Corporate Governance, Nomination and Remuneration Committee	Chairman	150,000	15,750
	Member	75,000	10,500
Corporate Social Responsibility & Sustainability Committee	Chairman	150,000	15,750
	Member	75,000	10,500

The remuneration rate has remained unchanged since 2012.

**(A) Details of the Directors Remuneration in 2020-21**

No.	Names	Remuneration (Baht)					Total
		Board of Directors	Audit and Risk Management Committee	Executive Committee	Corporate Governance, Nomination and Remuneration Committee	Corporate Social Responsibility and Sustainability Committee	
1.	<b>Mr. Peeyush Gupta</b> <sup>(a)</sup> Chairman of The Board of Directors The Executive Committee The Corporate Governance, Nomination and Remuneration Committee	-	-	-	-	-	-
2.	<b>Mr. Alan Kam</b> Independent Director Chairman of the Audit and Risk Management Committee Member of the Corporate Governance, Nomination and Remuneration Committee	598,500	231,000	-	96,000	-	925,500
3.	<b>Mr. Hatasakdi Na Pombejra</b> Independent Director Member of the Audit and Risk Management Committee Chairman of the Corporate Social Responsibility and Sustainability Committee	598,500	157,500	-	-	181,500	937,500
4.	<b>Ms. Anuttara Panpothong</b> Independent Director Member of the Audit and Risk Management Committee Member of the Corporate Governance, Nomination and Remuneration Committee	598,500	157,500	-	96,000	-	852,000
5.	<b>Mr. Taratorn Premsoontorn</b> Director Member of the Corporate Governance, Nomination and Remuneration Committee	598,500	-	-	96,000	-	694,500
6.	<b>Mr. Ranganath Raghupathy Rao</b> Director Member of the Executive Committee	598,500	-	-	-	-	598,500
7.	<b>Mr. Ashish Anupam</b> <sup>(a)</sup> Director Member of the Executive Committee Member of the Corporate Social Responsibility and Sustainability Committee	-	-	-	-	-	-
8.	<b>Mr. Rajiv Mangal</b> <sup>(a)</sup> Director Member of the Executive Committee Member of the Corporate Social Responsibility and Sustainability Committee President & CEO	-	-	-	-	-	-
<b>Total</b>		<b>2,992,500</b>	<b>546,000</b>	<b>-</b>	<b>288,000</b>	<b>181,500</b>	<b>4,008,000</b>

**(B) The amount and total remuneration of Directors and Managements****Remuneration Policy for Senior Management Executives**

The Corporate Governance, Nomination and Remuneration Committee (CG & NRC) assesses the performance of the President and CEO based on the Company's operating results, implementation of the Board's policies, sustainability aspects (economy, environment and society) as well as a balance between short and long-term performance objectives and recommends Annual Salary Increase (ASI) for next year and Variable Bonus (VB) for current year to the board of directors for approval.

Simultaneously CG & NRC assesses and recommends to the board ASI for next year and VB for current year for rest of the employees of the company taking into account the following information regarding the current and previous years:-

1. The business operating results based on EBITDA, PBT and PAT.
2. The capability to develop the business and improve operational efficiency for the business each year.
3. The operating results of other companies in the same industry.

Based on the approval from the board of directors, remuneration in terms of Promotion Adjustment (if any), Annual Salary Increase and Variable Bonus for Chief Operating Officer (COO) or Vice President (VP) are considered and approved by President and CEO as per the Delegation of Authority.

The remuneration policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Senior Management Executives to perform successfully. The remuneration mix for the Senior Management Executives includes;

1. Basic salary and Fixed Bonus
2. Variable Bonus based on the executive's performance in a particular financial year and the performance of the Company
3. Certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings
4. Medical welfare and hospitalization through re-imbursements and accidental insurance
5. Retirement benefits as per the law

**Remuneration for Senior Management Executives of the Company and for Directors and Senior Management Executives of the core business subsidiary**

Total remuneration in the form of salary, bonus and other incentives for the financial year 2020-21 (1 April 2020 – 31 March 2021) for the 10 Senior Management Executives was Baht 54.26 million (financial year 2019-20: Baht 50.64 million).

**Other forms of remuneration paid to Senior Management Executives of the Company**

Other remuneration in the form of up-country allowance/housing allowance and driver allowance for the financial year 2020-21 was Baht 6.61 million (financial year 2019-20: Baht 6.43 million).

The Company has provided Company cars to Company's Senior Management Executives and has contributed to the Provident Fund for all Senior Management Executives of the Company at the rate of 10% of total payroll. The contribution in financial year 2020-21 on this account was Baht 3.70 million (financial year 2019-20: Baht 3.73 million).

**Total remuneration of Directors of core business subsidiary**

The Senior Management Executives of the Company who are assigned to be Directors of the core business subsidiary, are not paid any additional remuneration in the form of salary or bonus for being the Directors. The Company does not pay any remuneration to the Directors of its subsidiary.

**Other forms of remuneration paid to Directors of core business subsidiary**

There is no other remuneration paid to the Directors of its subsidiary.

**Total remuneration of Senior Management Executives of core business subsidiary**

Total remuneration in the form of salary and bonus for financial year 2020–21 is included in the remuneration of the above-mentioned Senior Management Executives of the Company.

**Other forms of remuneration paid to Senior Management Executives of core business subsidiary**

The total remuneration for financial year 2020-21 is included in the remuneration of the Senior Management Executives of the Company as mentioned above.

Currently, the Company has the policy to offer the Long Term Incentive Plan (LTIP) which is applicable to President and CEO position in order to create deferred cash based incentive scheme for achieving long term sustainable and profitable growth of the organization.

**Employees**

The total number of employees of the Company and its subsidiary as at 31 March 2021 was 1,101. For the financial year 2020–21, the Company has paid remuneration to its employees totaling to Baht 267.10 million. The remuneration includes salary, overtime, variable bonus, upcountry allowance/metro allowance and as benefit-in-kind such as social security and provident fund contributions.

In addition, the subsidiary have also paid in the same way to their employees an amount of Baht 671.26 million.

**Number of the employees and remuneration**

<b>2020–21 (as of March 31, 2021)</b>	<b>Tata Steel (Thailand) Plc. (*)</b>	<b>Tata Steel Manufacturing (Thailand) Plc.</b>	<b>Total</b>
<b>Management Employee (persons)</b>	41 (45)	32 (31)	73 (76)
<b>Supervisory Employee (persons)</b>	117 (130)	200 (205)	317 (335)
<b>Operational Employee (persons)</b>	26 (29)	685 (711)	711 (740)
<b>Total (persons)</b>	<b>184 (204)</b>	<b>917 (947)</b>	<b>1,101 (1,151)</b>
<b>Employee's Remuneration (MB)</b>	<b>267.10 (268.92)</b>	<b>671.26 (707.50)</b>	<b>938.36 (976.42)</b>

\*Includes 154 (167) employees in Headquarters

Previous year (2019–20) data are shown in bracket.

In financial year 2020–21, the number of employees was reduced by 50 persons to improve manpower productivity. The Company has no lay-off policy but the new recruitment and replacement for resigned employees are carefully considered for necessary positions only.

During the past 3 years, the Company 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 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, and other regulations. 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 for improvement of its practices to the international standard.

Accordingly, 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 is 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 committees, shareholders' rights and equitable treatment of shareholders, the role of stakeholders, internal control and risk management.

Furthermore, the Board of Directors has considered the implementation of Corporate Governance Code (CG Code) of the Securities and Exchange Commission to be appropriately deployed in the context of the company business. The Company has reported CG Code compliance and other practices related to good corporate governance, details as appeared on the Page 57-72.

### 9.2 Other Committees

#### (1) Structure of Committees

Currently the Board of Directors consists of eight members appropriate to the size of the Company, three of whom are Independent Directors as specified in the SEC and Company's regulation. The Company's Directors are knowledgeable and have extensive experience in the areas 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 and CEO, as the leader of the business operation, will not be the same individual.

In addition, the Board of Directors has appointed four Committees to perform specific functions and propose to the Board of Directors for consideration and/or acknowledgement. These are the Audit and Risk Management Committee, Executive Committee, Corporate Governance, Nomination & Remuneration Committee and Corporate Social Responsibility & Sustainability 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 Section 8 Organization Structure.

### 9.3 Selection of the Directors and Executives

The Company follows a matrix of the desired capability/expertise mix of the Directors in the Board of Directors.

#### Composition of the Board of Directors

Name of the Board of Directors			Qualification on Independence	Woman Director	Educations and Experiences								
					Engineering	Accounting	Finance	Internal Audit/ Internal Control/ Risk Management	Legal	Marketing & Sales	Human Resources	Business Management	Economics
1	Mr. Peeyush	Gupta			✓					✓		✓	
2	Mr. Alan	Kam	✓				✓	✓				✓	
3	Mr. Hatasakdi	Na Pombejra	✓						✓			✓	
4	Ms. Anuttara	Panpothong	✓	✓			✓				✓	✓	
5	Mr. Taratorn	Premsoontorn					✓					✓	✓
6	Mr. Ranganath	Raghupathy Rao				✓	✓					✓	
7	Mr. Ashish	Anupam			✓							✓	
8	Mr. Raiiv	Mangal			✓					✓		✓	

The Corporate Governance, Nomination and Remuneration Committee, comprising of four Directors two of whom are Independent Directors, is responsible for the selection of Directors and top management, before proposing to the Board of Directors and/or the shareholders' meeting for election or appointment. The selection of the Directors is not only relying on the Committee's judgement but also need to be in line with the guidelines and principles approved by the Board of Directors. The Committee ensures that the qualifications of the selected Directors are in sync with the Company's business strategy. The Company also considers the list of Director available from (1) Recommendations from current Board members (2) Professional search firm and (3) The IOD director pool, while selecting Directors.

The selection of an Independent Director is discussed and agreed by the Corporate Governance, Nomination and Remuneration Committee. The Company's definition of "Independent Director" is in line with the guidelines 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 Stock Exchange regulations.
2. Persons with capabilities, experiences and diversity of skills, knowledgeable, competent, leadership, varied perspectives, ethical, transparent and ability to express opinions independently.

3. Persons who can devote sufficient time to attend Board and Committee 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 appropriate evaluation.

**Qualifications of Independent Director**

1. Holding not over 0.5% 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 a staff, employee, salaried advisor, company secretary, 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 any executive, major shareholder, person with controlling power or person who will be nominated as executive or person with controlling power of the Company or subsidiary.
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 as follow.
  - 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 period of 12 months.
  - 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 20 million, whichever is 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.
13. The age not younger than 21 years.

#### Retirement Age

The retirement age for the Independent Directors and Non-Executive Director would be 70 years. The retirement age for other Directors, Executive Directors and President and CEO would not be beyond the age of 60 years.

#### (1) Guideline and Voting Procedures

In case the election of Company's Director is proposed to the shareholders' meeting for consideration, it would proceed 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, except 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 three-fourths majority votes of remaining Directors.

#### (2) Selection of Directors and Executives

The Executive Committee makes initial selection for individuals to be appointed as the President and CEO and senior executives, by filtering qualified persons having knowledge, skills and experience 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 Subsidiary

As a Holding Company, the Board emphasizes on corporate governance of the Company in order to strongly protect the Company's interests as well as sustainability development. Since 2018, the Company has established a compliance unit under Department Manager - Legal Services and Regulatory Affairs to oversee that the operations complies appropriately with both legal and government regulations. The guidelines for corporate governance of the subsidiary are as follows:

1. Encourage them to adopt good corporate governance principles.
2. Appoints representative Directors and members of management to serve on the boards of subsidiary.
3. Oversees business operations through the appointed representative Directors, members of management and group-wide policies.
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 Financial Reporting Standards.
7. Assigns the Company's internal audit unit to conduct audits at the subsidiary 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 Company 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 subsidiary 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.

The report of direct and indirect securities holding of directors and managements including any changes during the year 2020-21 are as follows;

**Report on Securities Holding of Directors and Executives  
(As at March 31, 2021)**

No.	Name		Ordinary Shares (No. of Shares)					
			Tata Steel (Thailand) Plc.			Affiliated Companies		
			Reporter	Spouse or Minor child	increase (decrease) in fiscal year  (April 1, 2020 - March 31, 2021)	Reporter	Spouse or Minor child	increase (decrease) in fiscal year  (April 1, 2020 - March 31, 2021)
Board of Directors								
1	Mr. Peeyush	Gupta	-	-	-	-	-	-
2	Mr. Alan	Kam	-	-	-	-	-	-
3	Mr. Hatasakdi	Na Pombejra	-	-	-	-	-	-
4	Ms. Anuttara	Panpothong	-	-	-	-	-	-
5	Mr. Taratorn	Premsoontorn	-	-	-	-	-	-
6	Mr. Ranganath	Raghupathy Rao	-	-	-	124 <sup>(a)</sup>	124 <sup>(a)</sup>	-
7	Mr. Ashish	Anupam	-	-	-	228 <sup>(a)</sup>	-	-
8	Mr. Rajiv	Mangal	-	-	-	-	-	-
Executives								
9	Mr. Wanlert	Kanwivat	-	-	-	-	-	-
10	Mr. Jayanta	Chakraborty	-	-	-	-	-	-
11	Mr. Sirorote	Matemanosak	-	220,000	-	-	-	-
12	Mr. Paitoon	Chuesook	-	-	-	-	-	-
13	Mr. Chaichalerm	Bunyanuwat	-	-	-	-	-	-
14	Mr. Amit	Khanna	-	-	-	-	489 <sup>(a)</sup>	-
15	Mr. Pornchai	Tangworrakulchai	-	-	-	-	-	-
16	Mr. Sakchai	Loyfakhajohn	-	-	-	-	-	-
17	Mr. Rungroth	Lert-a-rom	-	-	-	-	-	-

**Remarks:**

- Tata Steel (Thailand) Plc. has 8,421,540,848 Ordinary shares. The total Registered and Paid-up Capital are 8,421,540,848 Baht.
- As per the Public Limited Companies Act, "Affiliated Company" means a public company limited related to one or many of private company (ies) or public company (ies) limited with the following characteristics:
  - A company has the power to control the election and removal of directors who have power to manage the whole or majority of the other company.
  - One company holds the shares in the other company more than 50% of the issued shares.
- "Management" means directors, managers or the first 4 persons in the management level next below the manager, all persons who hold positions equivalent to the fourth person in the management, and including persons who hold positions in management level in the lines of Accounting or Finance at the level of department manager up or equivalent, according to the notification of SEC "Kor Jor 17/2551"
- (a) Tata Steel Limited share with Face value of Rs.10/- each

## 9.6 Auditor's Fee

The shareholders in the annual general meeting of shareholders held on July 16, 2020, had approved the appointment of PricewaterhouseCoopers ABAS Ltd. as the Company's auditors for the financial year 2020-21 (April 2020 - March 2021). The engagement team are independent of the Group and have complied with relevant ethical requirements regarding independence in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants and IESBA's Code of Ethics for Professional Accountants

### (1) Audit Fee

PricewaterhouseCoopers ABAS Ltd. was appointed as the Company's auditors at the Annual General Meeting of Shareholders No. 16/2017, held on July 7, 2017 and has since been re-appointed by the Shareholders annually. The Audit fee payable to the auditors was fixed for an initial period of 3 years from their appointment and accordingly, has been due for revision with effect from financial year 2020-21. However, in view of the Covid-19 situation, consequent lockdowns and economic uncertainties all across the globe, the discussions on revision of audit fees was kept on hold last year. The discussion has since been concluded during the year for the financial years 2020-21 and 2021-22. Accordingly, for the financial year 2020-21, the Company and its subsidiary paid audit and quarterly review fee of Baht 3,862,000.

### (2) Non-audit Fee

For the financial year 2020-21, the Company and its subsidiary paid a fee such as for audit procedures of the consolidated reporting packages under the Group Accounting Policies of Baht 898,000 and travelling, per diem, lodging etc. of Baht 414,300 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 follows the principles of good corporate governance for listed companies issued by SET. The Company also follows the OECD (Organisation for Economic Co-operation and Development) Principles of Corporate Governance. It comprises of 5 relevant principles and practices; (1) shareholders' right, (2) equitable treatment of shareholders, (3) role of stakeholders, (4) disclosure and transparency and (5) responsibilities of the Board of Directors. The Company incorporated this in its "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.

In the year 2020, the Company maintained rating in the Corporate Governance evaluation from Thai Institute of Directors (IOD) in "Excellence" reflecting the continuous improvement on corporate governance. The implementation of Company's corporate governance report according to 5 principles of OECD during the year 2020-21 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 important assets, buy or sell 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, fixing the director's remuneration, the allocation of profits and dividends, the appointment of the Company's auditor and fixing the auditor's fees, changes to the Memorandum of Associations and the Articles of Association, increasing or decreasing the Company's registered 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 to nominate a representative to attend the meeting. This means nominating their own representative or nominating an Independent Director of the Company as their proxies. 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.
- Use QR Code in place of printed documents in order to access information more conveniently and promptly.
- 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 Corporate Secretary office facilitates and protects the rights of the shareholders. Shareholders can contact the Corporate Secretary Office on phone number 02 937 1000 Ext 3210 and 3156.

## Category II

### Equitable Treatment of Shareholders

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

#### Shareholders' meeting

Every year, the Company organizes a shareholders' meeting within four months from the end of the Company's financial year (within July). This meeting is the Annual General Meeting, while other meetings are called Extraordinary General Meeting. In the past financial year, no Extraordinary General Meetings was organized.

The Company was deeply concerned about health and safety of the Shareholders in view of the Covid-19 situation and decided to conduct the Annual General Meeting of Shareholders No. 19 through Electronic Meeting method (e-AGM) in accordance with the rules, procedures and conditions as stipulated by the laws without any Shareholder having to attend in person. Accordingly, in line with the measures of the Department of Disease Control, Ministry of Public Health, to reduce the risk from the outbreak and with regards to the health and safety of the Shareholders, the 2020 Annual General Meeting of Shareholders was conducted at 09:00 pm on July 16, 2020 through electronics method. Those who were shareholders on the record date of May 18, 2020, were eligible to attend the meeting.

The Company has established a system and mechanism that allows 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 the 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 (TSD), the company's registrar, to process and deliver the notice of the meeting and relevant documents in both Thai and English to all shareholders 21 days prior to the meeting. The documents include:



1. Notice of Shareholders' meeting with 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' opinion 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 "Abstained" 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, if any, in the proposed agenda of the meeting.
4. The Company's Annual Report and Sustainability Report in both Thai and English in the form of a QR Code, as well as in paper form for the shareholders who notified the Company in advance of their desire to receive them in paper 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.

In addition to this, the Company also:

1. Advertised the details of the Annual General Meeting through a Thai newspaper for 3 consecutive days and 3 days prior to the meeting
2. Notified via the Stock Exchange of Thailand's website (SETLink) that the shareholders' meeting information will be available via the Company website one 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 necessary information in order to study most of the documents before providing by the Company
3. Distributed information via the Stock Exchange of Thailand's website (SETLink) to inform shareholders that they are able to submit questions regarding the meeting agenda in advance
4. The shareholders are able to submit questions to the Board of Directors or individual Independent Directors through the Company's Secretariat Office for proposing to the Board of Directors to consider during the period June 15 – July 15, 2020.

Furthermore, the Company provided channel for submitting written questions in advance via registered mail to "Corporate Secretary Office", Rasa Tower II, 20th Floor, 555 Phaholyothin Road, Chatuchak, Bangkok 10900 or email to [cso@tatasteelthailand.com](mailto:cso@tatasteelthailand.com). Related questions to the Company's business were answered in the meeting and subsequently disclosed on the Company website.

#### **Before the Meeting**

The Company 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 agenda with no additional agenda for consideration other than those specified on the notification inviting shareholders to the Annual General Meeting. Appropriate and sufficient time is allotted for consideration of each agenda before voting. Shareholders are 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 an independent inspector (Third Party) to supervise voting and vote counting for transparency according to law and Company's Articles of Association. Vote counting is done by computer. Only shareholders' voting ballots of 'Disapprove' or 'Abstain' are compiled for calculation by deducting from number of overall eligible shareholders who have the right to vote. Shareholders have one vote per one share. Results of the

vote for each agenda are announced after resolving of each agenda item by slide projection. The meeting is also recorded on a video media.

#### **After the Meeting**

The Company announces the meeting resolutions (Approve, Disapprove or Abstain) through SET news network (SETLink) immediately after the meeting and prepares the meeting minutes within the period specified by law. The minutes record 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 Approve, Disapprove, Abstain and Voided Ballot.

There were 38 shareholders who attended the Annual General Meeting of the shareholders on July 16, 2020 through electronics method and through proxy. This represents 6,190,738,079 shares or 73.51% of the 8,421,540,848 issued shares. The Chairman as the representative of the Board, the Chairman of individual committees namely the Audit and Risk Management Committee, the Corporate Governance, Nomination and Remuneration Committee, the Corporate Social Responsibility and Sustainability Committee and all members of the Board of Directors, the company's executives, the Company's auditor, as well as the company's legal department attended the meeting.

#### **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 under "Use of Insider Information" on Page 55-56.

There has been no incident of the use of insider information for the benefit of securities trading by the Directors or 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 as the Directors or Executives or changes in the report, the Company Secretary has been assigned to compile and present to Chairman of the Audit and Risk Management 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 strictly complies with the regulation of the Securities and Exchanges Commission, Capital Market Supervisory Board and the Stock Exchange of Thailand in regard to the conflict of connected transactions. The Directors and Executives having interests and/or connection on a matter do not attend the meeting and vote on such matter.

For new upcoming connected transactions, its transaction size and value are taken into account, and submitted to the Audit and Risk Management Committee for consideration before further submission for endorsement by the Board of Directors.

Besides, the Audit and Risk Management 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-subsidiary.

### **Category III**

#### **Role of Stakeholders**

Engagement of all relevant stakeholders of the Company's operations, both directly and indirectly, is the most important component to analyze and determine the sustainability framework of the company. Therefore, the Company recognizes the rights and benefits of all relevant stakeholders, not only the statutory rights, but also includes mutual agreements by responsible for both internal and external stakeholders who are effected in term of sustainability with strict fairness. Key issues are communicated and stakeholder's engagement mechanisms are developed regularly.

The Company focuses on the stakeholders' engagement that effects Company's performance. The guidelines and responsibilities of each group of stakeholders are:

#### **Shareholders**

The Company is committed to create maximum benefits and maximize value for the shareholders sustainably and fairly. The operations of the Company are performed in line with corporate governance and vision of the Company. The Company is also committed to provide correct and complete information about the Company's business in accordance with the relevant regulations and agreements.

#### **Employees**

The Company recognizes that employees are the backbone for achieving the organizational goals. Accordingly, emphasis is placed in providing equal opportunities for all employees without discrimination against any social status, nationality, caste, religion, family, marital status, gender, sexual orientation, age, nationality and ethnicity. The remuneration and welfare of the employees, the quality of life of the employees and their families are enhanced and comparable to other leading companies. Provident Fund is applied as an instrument to motivate employees and to maintain long-term employee retention by providing a consistent savings as a guarantee for the life after retirement.

There is also a focus on safety, health and environment for all employees. Training and staff development at all levels is considered as an important factor in the journey towards sustainable development.

#### **Customers**

The Company has adopted "customer centricity" to ensure that the products and services delivered to the customers meet their needs and maximize customer satisfaction. The Company continues to improve the quality of products and services in terms of both quality standards and fair prices to satisfy the diversified needs of the customers. The Company has channels for receiving complaints, including return policy, if the any unqualified product is found. The Company maintains client confidentiality and does not use customer data to generate undue benefits.

#### **Partners**

The Company and its subsidiary set 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. Compliance with the fair commercial competition framework and TCoC, maintain payment standard by close monitoring of payment status help to build good and long-term relationship with business partners. The Code covers joint operations between the Company and its partners, for instance, regular trainings on safety have been extended to transport contractors.

**Competitors**

The Company strives to operate with integrity and comply with the rules of fair competition. The Company does not use unfair or misleading information about the products or services of any competitors. The Company also cooperates with its competitors to create fair competition conditions.

**Creditors**

The Company carefully and strictly complies with the conditions and requirements of both trade creditors, lenders and makes timely payment. The Company also provides information with accuracy, transparency, equity and fairness to the creditors throughout the liable period.

**Community and Society**

The Company is committed to operate with carrying out business by being a good corporate citizenship. The corporate social responsibility is set as framework for operation to all levels of employees to perform to be conscious of the social responsibility throughout the process (CSR in Process), together with carry out business under the responsibility of community and society (CSR after Process). The Company also supports for community development and quality of life through activities in various forms to build sustainable cooperation and relationship with the community.

The Company focuses on environmental protection, rigorously and continuously 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. TSTH Group has committed to make a significant leadership role in "Climate Change" as a result of global warming. "Green Process" (eco-friendly business operations) is applied in all stages of the organization's core business operations. The Company rapidly and effectively responses to the situation effected environment and community from the Company's operations by fully cooperating with the government, external agencies and relevant community.

**Government authorities**

The Company operates in compliance with the law. All employees are required to strictly abide by the laws and regulations of government agencies.

**Media & Reporters**

The Company gives importance to the disclosures in the media and ensures that the communications to the public are shared correctly, completely, transparently and with up to date information.

**Code of Ethics**

All employees adhere to the Company's Code of Conduct 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 "Whistle Blower Policy" for Directors, Employees, Customers, Suppliers and other Stakeholders of Tata Steel (Thailand) Public Company Limited Group.

The Company has a well laid down system to address ethical issues through the team of ethics coordinators and counsellor. All stakeholders can suggest/ report/ appeal on the above Code of Conduct in person/ by letter/ Email/ telephone/ fax by contacting the Chairman of the Audit and Risk Management Committee or the Ethics Counselor, details of whom are as given below:

#### Chairman of the Audit and Risk Management Committee

**Mr. Alan Kam**

Email address: [alank@libertasth.com](mailto:alank@libertasth.com)

#### Ethics Counselor

**Mr. Siorote Matemanosak**

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

Email address: [siorotem@tatasteelthailand.com](mailto:siorotem@tatasteelthailand.com)

Apart from the above, the Company provides a TCoC Helpline. The Helpline is a third-party who is independent of Tata Steel (Thailand) group. There are experts in taking notes of the violated ethics concerns reported and notified by employees, contractors or suppliers. The service is completely confidential.

#### Workplace Safety

The safety and occupational health responsibilities of the Company are driven by the commitment to ensure zero harm to people we work with and society at large and are integral to the way we do business. The Company has a clear and concrete policy pertaining to the workplace safety and sanitation which is posted on the website of the company.

The Company is driven by the following Safety Principles:

- Safety is line management responsibility.
- All injuries can be prevented.
- Felt concern and care for the employee on “24 hours safety” shall be demonstrated by Leaders.
- Employees shall be trained to work safely.
- Working safely shall be condition of employment.
- Every job shall be assessed for the risk involved and shall be carried out as per authorized procedures/ checklist/ work permit and using necessary work permit and personal protective equipment.

The Company is also committed to continual improvement in the safety & occupational health performance and accordingly, sets objective-targets, develop, implement and maintain management standards and systems, and go beyond compliance of the industry standard, legal and other requirements.

The safety & occupational health performance during the last three years is shown in the following table:

Content	Unit	FY21	FY20	FY19
Lost time injuries frequency rate	Case/million man-hour	0.21	0.00	1.28
Health Index	Index	10.5	10.9	11.3

**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 investment decision, transparency and accountability as well as the highest benefits of shareholders, investors, analysts, and stakeholders. Such information are accurate and complete, creating no misunderstanding or misinterpretation. Also, such information are up-to-date and timely as specified by the Securities and Exchange Commission (SEC) and relevant agencies.

The Management is 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 involves disclosures, if any, relating to asset acquisition and disposal, 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](http://www.set.or.th))/ the Company's website ([www.tatasteelthailand.com](http://www.tatasteelthailand.com)).
2. Management Discussion and Analysis of financial status and overall performance of each quarter (the SET's news system ([www.set.or.th](http://www.set.or.th))/ the Company's website ([www.tatasteelthailand.com](http://www.tatasteelthailand.com)), newspaper.
3. The up-to-date shareholding structure with complete details of the proportion of major and minor shareholders. The structure can unveil the information of the Beneficial Owner as well as the shareholding information of the Board of Directors and executives. None of all Directors have shareholding of the Company (annual report / the Company's website ([www.tatasteelthailand.com](http://www.tatasteelthailand.com))).
4. The information in the annual report are disclosed clearly and completely for the benefits of shareholders' decision making, for instance, Management Discussion and Analysis 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 senior executives, and the Board of Directors' meeting attendance etc., the Company's website ([www.tatasteelthailand.com](http://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). In the past the Company did 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](http://www.set.or.th))/ the Company's website ([www.tatasteelthailand.com](http://www.tatasteelthailand.com))).
6. The information on related party 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 and CEO as "Speaker" to communicate on the Company's information to the public, while assigning the Company Secretary to manage the overall function of Investor Relation by being responsible for communicating and coordinating with external practice i.e. shareholders, institutional shareholders, investors, analysts, and other related agencies. The Company provides convenient channels for accessing the Company's information such as disseminating company information in both Thai and English via the Company's website [www.tatasteelthailand.com](http://www.tatasteelthailand.com) in relation to business operations, financial statements, press releases, shareholding structure, organization structure, business group structure, information of the Board and Managements, Investor Relations, regulations and corporate governance including downloadable information such as annual report, notice of the shareholders' meeting and minutes of the shareholders' meeting, etc. This policy has been developed to strengthen investors' understanding and confidence towards the Company.

Furthermore, after quarterly and annual financial performance is disclosed to SET, the Company conducts quarterly Press conference to disseminate its operational performances and movement of steel business to the public via the Company's website [www.tatasteelthailand.com](http://www.tatasteelthailand.com).

## **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 (Check and balance), while emphasizing clearly on the Board diversity strategy. The Board of Directors comprises of qualified persons with appropriate knowledge, ability, experience, professionalism, gender diversity (at least one woman Director), 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. Committees are also appointed to consider specific matters leading to appropriate decision making in compliance with corporate governance principles.

In addition, the Board of Directors has also appointed a qualified and experienced Company Secretary to be responsible for secretarial matters in accordance with the provisions of "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 subsidiary. The ultimate goal is to keep the business stable for the balanced and sustainable benefits of all stakeholders, while being able to increase the shareholders' value in the long run, conforming to the Company's vision and goal.

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 the financial year 2020-21, the Board of Directors has reviewed and approved the Company's vision, mission, policies, long term plan strategies, annual budget including the Company's operations, risk management and budget allocation plans, while evaluating the overall performance of the Company and its committees on a quarterly basis. The Directors have also reviewed the strategies, objectives and annual budgets. The Board of Directors monitors the implementation of the Company strategy through the performance of the Company on quarterly basis. 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 business 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 open/close bank accounts
4. Approve to use/change to accounting principle, or update/change to schedule of depreciation rate
5. Approve financial statements and allocation of accumulated profit
6. Approve purchase, sell, exchange, mortgage, sale with right of redemption, lease, rent, or let of land and buildings which the book value is not be over than 50 Million Baht
7. Approve selling tangible and other assets (excluding land and building)
8. Approve HR concerning matter in organizational structure, HR planning, nomination and recruitment of senior executive and budgeting for annual raises and bonus
9. Approve joint-venture, stock investment
10. Approve matters submitted to AGM
11. 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/ or Subsidiary:
  - 11.1 Any loan exceeding Baht 50 million and not in the Group's annual budget.
  - 11.2 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.
  - 11.3 Any investments exceeding Baht 50 million and not in the Group's annual budget.
  - 11.4 Sales, transfers, rent out or permissions related to any properties or assets with the book value exceeding Baht 50 million and not in the group's annual budget.
  - 11.5 Approvals or amendments of the Group's annual budget.
  - 11.6 Any transactions with connected parties not regarding as normal business operation.
  - 11.7 Any Changing of the accounting policy, approval of the annual consolidated financial statements, annual separate financial statements and quarterly group financial statements.
  - 11.8 Any changes related to the Group's business operation or termination of any business operation.

### 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 and CEO of the Company. Also, the Chairman is expected to disseminate the Board's resolutions to all parties involved, ensuring that all requirements are implemented in the most productive and appropriate way.

With different responsibilities between the Chairman as a policy leader and the President and CEO as a leader of corporate management, the Company has determined to separate the roles and responsibilities between the Chairman and the President and CEO 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 CEO with independent advices.
3. Consulting with the President and CEO, and Company Secretary to prose 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 and Risk Management Committee**

The Audit Committee was first appointed by the Board in the year 2002. Currently it consists of three Independent Directors. The Audit Committee has been renamed as Audit and Risk Management Committee at the Board of Directors meeting held on April 20, 2021.

Mr. Alan Kam, Chairman of the Audit and Risk Management Committee, has extensive experience in the area of accounting and finance including reviewing the reliability of financial statements.

The Audit and Risk Management 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. It reviews the Company's risk management system and monitors the overall risk management framework of the Company. 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 and Risk Management 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 and Risk Management Committee. When needed, the Audit and Risk Management Committee may seek an external independent advisory at the Company's expenses.

**The Executive Committee**

The Executive Committee was appointed by the Board 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 which includes refinement of policies and strategies along with sharing of best practices to correspond with the economic situation, consider and provide guidance on the business plan and annual budget allocation proposed by the management to the Board of Directors. It also has the duty to supervise, provide oversight and monitor the Company's operations to ensure its efficiency and appropriateness with the business situation to accomplish the objectives according to the policies and annual business plan as prescribed by the Board of Directors.

**The Corporate Governance, Nomination and Remuneration Committee**

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

The Corporate Governance, Nomination and Remuneration 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 and CEO or replacement of the Director who retires by rotation or in other cases. It has also the duty of consider remuneration e.g. to study, consider and monitor the change and trend of the remuneration of the Board of Directors, Members of Committees, President and CEO and the senior management of the Company.

### **The Corporate Social Responsibility and Sustainability Committee**

As a responsible corporate citizen, the Company has increased emphasis on long term sustainability and in accordance with the guidelines from Tata Group. The Board of Directors, by the consideration of the Corporate Governance, Nomination and Remuneration Committee, established Corporate Social Responsibility & Sustainability Committee in the year 2018.

The Corporate Social Responsibility and Sustainability Committee includes three members of the Board of Directors, and one of them being an Independent Director. The Chairman should be a Non-Executive Director. The Committee will assist the Board to formulate, monitor and review CSR strategy and policy of the Company and the amount of expenditure to be incurred on CSR activities. The Committee will also guide the Management to formulate, implement and review policies, principles and practices to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capitals.

### **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. According to the Board of Directors policy, Directors have to jointly agree on the retiring sequence Director who retires will be re-elected. The director whose term has been 9 years or 3 continuous terms in his/her office may be re-elected with the tenure of 1 year for each re-election period. The term for Independent Directors shall not be over 9 years. 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 a clear policy on maximum number of other listed companies allowed for each director to serve as the member of their boards. The Directors shall not serve more than 5 listed companies as the member of the boards. The President and CEO shall not serve in other listed companies except as a Director on the Board of other Tata Group Companies.

Currently the Board of Directors consists of 4 Thai directors and 4 foreign directors, of which 5 directors are residents in Thailand. None of the Thai directors are on the Boards of more than 2 listed companies in Thailand and none of the foreign directors are on the Board of any other listed company in Thailand. Each of the directors are capable to perform his/her duties and dedicate appropriate time and efforts for the company.

Since the President and CEO is an executive director, just like other employees, he has to dedicate his full efforts for the Company according to the terms of the employment contract. He has not been appointed as a Director in other listed company. Any association with other companies outside Thailand is declared in the resume printed in the annual report.

### **Meeting of the Board of Directors**

The Company schedules at least 5 (five) board meetings each year, where all members of the Board of Directors are informed in advance. Pre-circulated significant agendas are determined for each meeting, both for the Board of Directors and the Committees. The Company is also 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 specific requirement. For each meeting, the invitation letter as well as agenda and supportive documents are delivered to all the members of the Board of Directors at least 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 the 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.

After the meeting, all agendas are 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. The draft of minutes is circulated to all members through e-mail and is proposed for approval in the next meetings. Directors can add comments for completion and correctness before it is put up for the signature of the Chairman.

During 2020-21, the Company has held 6 (six) board meetings and the meetings were attended by all the Directors on the Board, the attendance proportion of each Director is 100% of the whole year meetings (including attendance of meetings through electronics media). 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 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 2020-21 is detailed in the section on "Management Structure".

#### 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.

During 2020-21, the Board's performance evaluation is consider from 1) Self-assessment form of the entire Board 2) Self-assessment form of committees which consists of 3 committees; 2.1) the Audit and Risk Management Committee 2.2) the Corporate Governance, Nomination and Remuneration Committee and 2.3) the Corporate Social Responsibility and Sustainability Committee 3) Individual Assessment form of the Board and committees. The assessment criteria are as follows;

Assessment criteria		Board	Committees	Individual
1	Structure and Characteristics of the Board	/	/	/
2	Roles and Responsibilities of the Board	/	/	/
3	Board Meetings	/	/	/
4	Relationship with Management	/	X	X
5	Self-development of Directors and Management's development	/	X	X

The details of the performance evaluation process of the Board, committees and individual directors, are as follow;

1. The Corporate Governance, Nomination and Remuneration Committee considers and reviews the performance evaluation for completion, correction and proposes to the Board of Directors for approval to use the assessment forms.
2. The Company Secretary circulates the assessment forms, duly approved by the Board of Directors, to all directors and compiles the result and comments of the performance evaluation.

3. The Company Secretary concludes the result of the evaluation and proposes to the Board of Directors through the Corporate Governance, Nomination and Remuneration Committee scrutinized for further development.

The level of performance evaluation of the Board and committees can be divided into 6 groups which are;

Score	Rating
90-100	Excellent
80-89	Very good
70-79	Good
60-69	Satisfactory
50-59	Pass
> 50	N/A

The performance evaluation for the financial year 2020-21 of the Board of Directors and committees both for the entire Board and for individual directors, is rated "Excellent". The Directors shared their comments completely and independently in the performance evaluation form.

#### Performance Evaluation of the President and CEO

The Committee reviews the President and CEO's performance on a yearly basis. The Board of Directors consider and grant an approval for a performance result in accordance with principles of the Corporate Governance, Nomination and Remuneration Committee. The evaluation is 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 other stakeholders, product and service knowledge, and performances compared to other business companies in the same industry. During 2020-21, 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 guide and direct 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 with exactly the same format as original copy for easy understanding. A copy of the same has been distributed to the Board of Directors, Management Committee, Company's Executives, and every employees. The distribution of this document has also been extended to external stakeholders both in the public and private sectors that conduct 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 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. 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 "Whistle blower Policy" for the Directors, employees, customers, suppliers and other stakeholders of Tata Steel (Thailand) Public Company Limited Group 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 and Risk Management Committee or the Ethics Counselor or to other company's specific units safely and practically.

Since October 1, 2017, The Company started TCOC Helpline to connect employees, contractors and partners to the third party who is independent from Tata Steel (Thailand) Group and expert in taking note of the code of conduct violation from employees or contractors. The service is totally confidential. The Helpline can call on 1-800-292-777 (Toll Free) or 0-2677-2800 available on Monday-Friday from 08:30 – 17:30 hrs. (Except Public Holidays) and via email address [tell@thailand-ethicsline.com](mailto:tell@thailand-ethicsline.com). Alternatively, the users can make a report via post P.O. Box 2712, Bangrak Post Office, Bangkok 10500. The whistle blower's identity is not recorded to ensure confidentiality and the whistle blower's identity remains 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.

The Company signed Thailand's private sector's declaration of intent for Thai Private Sector Collective Action Against Corruption (CAC) in resisting and discouraging corruption in all of its forms since 2014. The CAC directors have 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" since 2015. The Company also continuously cooperated with Thai Private Sector Collective Action Against Corruption Council (CAC) to improve ethical policy and practices. In addition, the Company had trained Tata Code of Conduct and related policies to all employees and arranged communication's sessions with customers, vendors and contractors in annual meetings for clarification the Tata Code of Conduct and related policies.

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 comply with these policies. 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 function reporting to Senior Department Manager – Internal Audit. This Internal Audit team has the responsibility to supervise the internal audit work of the Company and its subsidiary. Internal Audit team operates under the supervision of the Audit and Risk Management Committee. The Audit and Risk Management 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 "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.

**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 necessary to provide them with knowledge development programs related to the Company's business operations. The Company arranges an orientation for new members of the Board of Directors and executives. The schedule for the 2 day "Induction Program" is with the President and CEO and Vice Presidents sharing the update on the performance, opportunities, concerns and risks of the Company as a whole and individually in the areas of Operation, Finance, Marketing and Sales, Procurement, Business Excellence and Shared Services. The program includes the new Directors visiting the Plants and understanding the operations. The Company Secretary prepares a dossier with the Director's Manual and other useful documents for the new Directors.

The Company encourage the Board of Directors to attend further training programs and seminars which enhances their understanding on directors' roles from the 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, President and CEO and Vice President – Finance and CFO have attended various training programs organized by IOD.

Details of the training program attended by Mr. Hatasakdi Na Pombejra, Director during 2020–21 appear in the section "Information of the Directors"

**10. Corporate Social Responsibility**

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

**11. Internal Control and Risk Management**

The Board of Directors of the Company is responsible for the financial statements of Tata Steel (Thailand) Public Company Limited and its subsidiary, including financial information disclosed in the annual report for the year 2020-21, which have been prepared in accordance with Financial Reporting Standards prevailing in Thailand, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The policies pursued are appropriate and applied consistently with regard to reasonableness and careful preparation. Important information is also adequately and transparently disclosed in the Notes to the Consolidated and Separate Financial Statements for the Company's shareholders and investors.

The Board of Directors has assigned the Audit and Risk Management Committee to review the financial reporting process of the Company and its subsidiary in accordance with Financial Reporting Standards 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 and Risk Management Committee include reviewing the Company's performance in compliance with corporate governance principles, monitoring of the overall risk management

framework, 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 reports to the Audit and Risk Management Committee. The Internal Audit Department is responsible for reviewing the adequacy and effectiveness of the Company's internal control systems for TSTH and its subsidiary. The department reports its findings and recommendations to the management and the Audit and Risk Management 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 the Internal Control System evaluation form of sufficiency, in line with the requirements of The Securities and Exchange Commission (SEC) of Thailand.

The internal control system in use at the Company has adopted the internal control framework as advocated by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The Board of Directors of the Company has considered the recommendations of the Audit and Risk Management Committee, evaluated its opinion on the internal control systems of the Company and its subsidiary and found the internal control systems to be adequate. The summary of the Company's internal control system, in line with the COSO principles is detailed below.

#### **CONTROL ENVIRONMENT**

The Company prepares annual 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 responsibilities 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 detailed Code of Conduct for its directors, executives, stakeholders and employees. The Code of Conduct of the Company has been announced to, read, and signed 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 process 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. Another dimension of Risk Velocity has also been added. Risk Assessment Matrix is cascaded throughout the Company. Head of Departments accordingly formulate the comprehensive action plan to mitigate the risks. The review and monitoring is performed regularly through the corporate level meeting of management team and by the Audit and Risk Management Committee. Enterprise Risk Management is an integral part of the reports presented 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 subsidiary on a regular basis. Appropriate internal controls are also evident in transactions concerning major shareholders, directors, management 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 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.

**WHISTLE BLOWER POLICY**

The Company has a Whistle blower Policy which provides channels for employees and other stakeholders 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 Independent Director and Chairman of the Audit and Risk Management Committee directly by sending an email to: [alank@libertasth.com](mailto:alank@libertasth.com) or may contact the third party TCoC Helpline through toll-free phone / via the website as detailed in the Whistle Blower Policy.

**MONITORING**

The annual business plan is reviewed and approved by the Board of Directors. The Company's quarterly financial statements are reviewed by the Audit and Risk Management Committee and recommended to the Board of Directors for approval. Moreover, the Audit and Risk Management Committee reviews the annual audited financial statements and makes recommendations 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 and Risk Management Committee. The risk-based audit plan considers the 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 subsidiary according to its Annual Internal Audit Plan. The deficiencies and recommendations are communicated to agencies responsible for implementation. The audit reports and findings are presented to the Audit and Risk Management Committee on quarterly basis.

The Board believes that the internal control system of the Company, in general, is adequate to assure that the financial statements of Tata Steel (Thailand) Public Company Limited and its subsidiary present, in all material respects, the financial positions, results of operations, and cash flows accurately.



## 12. Connected Transactions

### Characteristics of connected transactions

For the 12-month period ending March 31, 2021, March 31, 2020 and March 31, 2019, the Company entered into connected transactions with related companies as summarized below:

#### Type of Connected transactions

Unit : Thousand Baht

	Mar 31, 2021	Mar 31, 2020	Mar 31, 2019
Sales	1,562,867	1,501,005	2,451,627
Purchases	2,765,594	1,178,050	1,251,305
Purchases of assets	-	-	3,370
Other expense	811	1,074	1,935
Trade receivables	279,604	226,196	58,385
Other receivables	44	44	328
Trade payables	185,080	2,347	2,285
Other payables	2,256	2,267	3,849

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, 21	Mar 31, 20	Mar 31, 19
1 The Siam Industrial Wire Co., Ltd.	Manufacture Steel Wire	Same group of shareholder	898,270	452,053	733,214
2 Tata Steel Limited	Manufacture Steel	Parent company	395,669	762,299	1,370,187
3 TSN Wires Co., Ltd.	Manufacture galvanized steel wire	Same group of shareholder	265,682	282,700	329,599
4 NatSteel Holdings Pte. Ltd.	Manufacture Steel	Same group of shareholder	3,246	3,774	4,568
5 Tata Projects Limited	Infrastructure projects	Same group of shareholder	-	179	14,059
Total inter-company sale transactions			1,562,867	1,501,005	2,451,627

**Details of Purchases with related parties**

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 21	Mar 31, 20	Mar 31, 19
1 NatSteel Recycling Pte. Ltd	Trading	Same Group of Shareholder	-	-	97,695
2 Tata International Metals Asia Ltd.	Trading	Same group of shareholder	493,858	1,137,852	1,000,194
3 Tata Steel Limited.	Manufacture Steel	Parent company	2,252,154	-	-
4 Tata International Limited	Trading	Same group of shareholder	-	18,518	13,976
5 Tata International West Asia DMCC	Trading	Same group of shareholder	19,582	21,680	5,264
6 The Siam Industrial Wire Co., Ltd.	Manufacture Steel Wire	Same group of shareholder	-	-	4,970
7 NatSteel Holdings Pte. Ltd.	Manufacture Steel	Same group of shareholder	-	-	129,206
Total inter-company purchase transactions			2,765,594	1,178,050	1,251,305

**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, 21	Mar 31, 20	Mar 31, 19
1 Tata Technologies (Thailand) Co., Ltd	IT Services	Same group of shareholder	-	-	3,370
Total inter-company Purchases of assets transactions			-	-	3,370

**Details of Other expense with related parties**

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 21	Mar 31, 20	Mar 31, 19
1 Mjunction Service Limited	Trading and procurement	Same group of shareholder	-	-	55
2 The Siam Industrial Wire Co., Ltd.	Manufacture Steel Wire	Same group of shareholder	15	-	266
3 Tata Steel Limited	Manufacture Steel	Parent company	747	1,004	72
4 Tata Sons Private Limited	Investing	Same group of shareholder	22	16	1,051

5	Tata South East Asia (Cambodia) Ltd.	Trading	Same group of shareholder	-	-	392
6	Tata Technologies (Thailand) Co., Ltd.	IT Services	Same group of shareholder	-	54	99
7	Tata Services Ltd.	Training Services	Same group of shareholder	27	-	-
Total inter-company other expense transactions				811	1,074	1,935

**Details of Trade receivables with related parties**

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 21	Mar 31, 20	Mar 31, 19
1 TSN Wires Co., Ltd.	Manufacture galvanized steel wire	Same group of shareholder	36,306	53,664	45,862
2 The Siam Industrial Wire Co., Ltd.	Manufacture Wire rod	Same group of shareholder	15,438	543	12,523
3 Tata Steel Limited	Manufacture steel	Parent company	227,860	171,989	-
Total inter-company Trade receivables transactions			279,604	226,196	58,385

**Details of Other receivables with related parties**

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 21	Mar 31, 20	Mar 31, 19
1 Tata Steel Limited	Manufacture steel	Parent company	23	23	23
2 Tata Communications (Thailand) Co., Ltd.	Telecommunication Service	Same group of shareholder	21	21	21
3 The Siam Industrial Wire Co., Ltd.	Manufacture Wire rod	Same group of shareholder	-	-	199
4 TSN Wires Co., Ltd.	Manufacture galvanized steel wire	Same group of shareholder	-	-	85
Total inter-company Other receivables transactions			44	44	328

**Details of Trade payables with related parties**

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 21	Mar 31, 20	Mar 31, 19
1 Tata Steel Limited	Manufacture steel	Parent company	2,251	2,347	2,285
2 Tata International Metals Asia Ltd.	Trading	Parent company	182,829	-	-
Total inter-company Trade payables transactions			185,080	2,347	2,285

**Details of Other payables with related parties \*\***

Unit: (in Thousand Baht)

Name of Company	Type of Business	Relationship	Amount of Connected Transactions		
			Mar 31, 21	Mar 31, 20	Mar 31, 19
1 Tata Steel Limited	Manufacture Steel	Parent company	2,256	2,267	2,300
2 Tata Technologies (Thailand) Co., Ltd.	IT Services	Same group of shareholder	-	-	1,549
Total inter-company Other payables transactions			2,256	2,267	3,849

**Remark:** \*\* Detail of creditors and loan with related parties above was normal transaction between the Company and its subsidiary 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.

**Pricing Condition and Policy**

The said connected transactions between the Company and subsidiary or related companies were adopted for commercial transactions, including borrowing or grant of loans within the policy frame work of transfer pricing mechanism on fair and at an arms' length basis, with prices and interest rates as would be applicable to a third party. 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.

**Necessity and Appropriateness of Connected transactions**

The said connected transactions have been transacted in the normal course of business and in accordance with generally accepted trading terms. 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 or the subsidiary's 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. The delegation of authority 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 strictly follows the rules and 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 and Risk Management Committee. Directors and Executives having interest and/ or connection on a matter do not attend the meeting or vote on such matter for the sake of fairness.

The implementation also included the compliance with the regulation, in case there be a disclosure of connected transactions and acquisition or disposition of assets of the Company or its subsidiary. The company conforms to the accounting standards announced by Federation of Accounting Professions with respect to the disclosure of connected transactions. The 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 subsidiary or related companies will continue to be conducted in the ordinary course of business on fair and at 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.