

**Tata Steel (Thailand) Public Company Limited**

**Charter of the Corporate Social Responsibility and Sustainability Committee**

**Principles, Responsibility and Governance**

June 5, 2018

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## Glossary

“Board”	implies Board of Directors of Tata Steel (Thailand) Public Company Limited
“Chairperson”	implies chairperson of the Committee
“Committee”	implies the Corporate Social Responsibility & Sustainability Committee
“Company”	implies Tata Steel (Thailand) Public Company Limited
“Directors”	implies all the Directors on the Board
“Independent Director” or “ID”	implies a non- executive Director of the Company/ Independent Directors mentioned in the Stock Exchange of Thailand: Rules Summary regarding Qualifications of an independent director and CG Policy of Tata Steel (Thailand) Public Company Limited
“NED/ Non-Executive Director”	implies Directors other than MD/ED

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE CHARTER**

### **1. PRINCIPLES AND OBJECTIVES OF THE COMMITTEE**

- 1.1. The Board of Directors as proposed by CG, Nomination and Remuneration Committee has constituted Corporate Social Responsibility & Sustainability Committee in accordance with in the Stock Exchange of Thailand: Rules Summary regarding Qualifications of an independent director and CG Policy of Tata Steel (Thailand) Public Company Limited, to outline the role, responsibilities and power of the Committee and the procedure for organizing the meeting of the Committee.
- 1.2. The Board as proposed by CG, Nomination and Remuneration Committee in its meeting held on April 24, 2018 has review the broad remit of the Corporate Social Responsibility & Sustainability Committee and approved the revised remit. The Board also approved the name of the Committee as “Corporate Social Responsibility & Sustainability Committee”.
- 1.3. The Committee is a Quasi Governance or Quasi management body, which will assist the Board to formulate, monitor and review the CSR strategy and policy of the Company and the amount of expenditure to be incurred on CSR activities. The Committee will also assist 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 capital.

### **2. COMPOSITION OF THE COMMITTEE**

- 2.1 The Committee shall be appointed by the Board and shall comprise three or more Directors as members, with at least one being an Independent Director.
- 2.2 The Chairperson of the Committee shall be proposed by CG, Nomination and Remuneration Committee and appointed by the Board, who should preferably be a non-executive Director.

### **3. MEETINGS AND QUORUM**

- 3.1 The Committee shall meet as often as needed to discuss the matters. It is however recommended that the Committee meet at least two to three times during the year.
- 3.2 The Committee may invite such Directors or company executives, as it considers appropriate to be present at the meetings of the Committee with the permission of the Chairperson.
- 3.3 The quorum necessary for transacting business at a meeting of the Committee shall be any two members or one-third of the members of the Committee, whichever is higher.

- 3.4 The Chairperson in consultation with other members of the Committee shall be responsible for establishing the agenda for meetings of the Committee.
- 3.5 If the Chairperson of the meeting is not present at a meeting of the Committee, the members present may elect another member from amongst themselves to act as a Chairperson for that meeting.
- 3.6 The Company Secretary shall act as the Secretary to the Committee Meetings and will attend meetings of the Committee. The Secretary will be responsible for taking adequate minutes of the proceedings and ensuring 'Matter Arising Report' is presented in the subsequent meeting.
- 3.7 The participation of Directors in a meeting of the Board is in person only. The participation through video conferencing or other audio visual means including telepresence as deemed appropriate will be recorded in the minutes but will not be counted as a quorum according to Public Company Act: Section 80.

#### **4. AUTHORITY AND POWER**

The Committee shall have 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.

#### **5. ROLES AND RESPONSIBILITIES OF THE COMMITTEE**

The responsibilities of the Committee shall be the following:

- 5.1 Formulate and recommend to the Board, the CSR Policy. Recommend the activities and expenditure to be incurred by the Company under the CSR Policy and monitor the same.
- 5.2 Review and monitor the CSR activities to ensure that the Company is in compliance with the CSR Policy.
- 5.3 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.
- 5.4 Review management's position on key stakeholder expectations involving Corporate Social Responsibility and provide perspectives for the Board's consideration.

- 5.5 Review on a continuing basis, the partnerships and relationships, both current and proposed that support the Company's sustainable growth.
- 5.6 Review the Company's annual Sustainability Report prior to its issuance.
- 5.7 Review benchmarking of the policies, systems and monitoring processes against global best practices in CSR.
- 5.8 Review and recommend to the Board the annual budget for CSR.
- 5.9 Review half year reports by management on CSR initiatives.
- 5.10 Review on a continuous basis, the Company's communication strategies relating to Corporate Social Responsibility and sustainable growth.
- 5.11 Review whether the Company's disclosure requirements on CSR are in compliance with the requirement of the Stock Exchange of Thailand.
- 5.12 Review and assess the remit and reports of any audit processes to gain assurance over the CSR activities.
- 5.13 Oversee the company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.
- 5.14 Oversee activities impacting the quality of life of various stakeholders.
- 5.15 Monitor the CSR policy and expenditure of the subsidiary companies that are mandated by the CSR Policy to constitute a CSR Committee.
- 5.16 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.
  - 5.16(A): Oversee company's Occupational Safety, Health and Environment (OSHE) plans and compliance.
- 5.17 Provide formal feedback to the Board on the matters discussed by the Committee.

5.18 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.

## **6. REPORTING AND DISCLOSURE**

6.1 The Committee will report to the Board.

6.2 The Committee will submit Sustainability Report to the Board for it to include in the Board's Report details about the policy developed and implemented by the company on CSR initiatives taken during the year.

6.3 The Sustainability Report of the Company shall disclose:

- a. The composition of the Committee (including names of the members and Chairperson)
- b. Brief description of the terms of reference of the Committee.
- c. Number of meetings and attendance.

6.4 The Company will disclose its CSR & Sustainability Policy on the Company's website.

## **7. COMPENSATION OF THE COMMITTEE**

Non-Executive Directors of the Committee may receive such sitting fees and / or commission, if any, for their services as Committee members, as may be determined by the Board at its discretion from time to time

## **8. EVALUATION OF THE COMMITTEE**

8.1 Committee shall define its key priorities and goals for the year, and evaluate its performance on an annual basis.

8.2 It will adopt a self-evaluation mechanism to assess its performance. Each member of the Committee shall fill the evaluation questionnaire provided for in Annexure and submit the same to the Chairman of the Committee.

8.3 The self-evaluation report in terms of the Committee Report will need to be provided to the Board. This report should also highlight any exceptional items that have been mandated by the Board which have not been carried out by the Committee. A discussion on this report with the Board may then be facilitated by the Chairman of the Committee

**9. REVIEW OF THE CHARTER**

The adequacy of this Charter shall be reviewed and reassessed by the Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.

**10. CONFIDENTIALITY**

The members of the Committee shall not disclose, in particular, the information contained in the confidential reports they receive or the contents of confidential discussions. They shall also ensure that any employees appointed to support them likewise comply with this rule.

**11. COMPLIANCE RESPONSIBILITY**

Compliance of this charter shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

## Annexure

### CSR & SUSTAINABILITY COMMITTEE OF THE BOARD-SELF REVIEW TEMPLATE

*(To be filled in by each member of the Committee to evaluate the performance of the Committee as a whole)*

*This questionnaire has been designed to evaluate the committee. Every question would need to be evaluated on a 5 point scale as given below. The questionnaire also provides for space for qualitative comments.*

Strongly Disagree		Neither Agree nor Disagree		Strongly Agree
1	2	3	4	5

Parameters for Self-Evaluation			Scale
I.	Degree of fulfillment of key responsibilities	The committee effectively performs the responsibilities as outlined in the charter	
		The mandate of the committee is sufficient in addressing the objectives for which it was set up by the Board	
II.	Adequacy of Committee Composition – The committee....	....is staffed adequately (in terms of size, skills/ expertise, experience) to carry out the responsibilities	
III.	Effectiveness of meetings	The frequency of committee meetings is adequate	
		The agenda discussed in the meetings is clear and realistic in terms of number and nature of items to be covered	
		Time allotted for every meeting is adequate to cover most of the agenda items	
		Information provided for the meeting is adequate, timely and presented in a way that facilitates productive discussion (i.e. material is relevant with the right amount of detail and is “reader friendly”)	
		Sufficient time is spent in discussing critical issues/ issues of strategic importance	
		The committee does not wander into unwanted minutiae or tangents while discussing agenda items	
		Appropriate balance is maintained in analyzing the past, discussing current issues and planning for future	
		Discussions/ decisions made in the meeting show a large degree of alignment with the overall company strategy	
		There is an effective system for monitoring and driving closure of critical post meeting actions/ decisions	

IV.	Committee dynamics	All members have clarity of their role and responsibilities	
		All members feel free to speak their mind and contribute effectively on key issues	
		There is cohesiveness in the overall working of the committee	
		There is adequate dialogue and participation from members on critical issues/ issues of strategic importance	
		Conflict/ differences of opinion between members are managed constructively	
		Members are respectful to each other	
V.	Quality of relationship of the committee with the Board and the management	There is clarity between the Board, management and committee with respect to the role played by the committee	
		There is good coordination and cohesiveness in the working of the Board, management and the committee	
		Committee members are accessible to senior management employees	
		Adequate opportunities are availed by the committee to be exposed to the company's management and to understand the company's products and operations	
		The Board and the management shows a high degree of responsiveness/ acceptance of the guidance/ direction provided by the committee	

Name of the member : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_