

GLOSSARY

“Act” or “CA,2013” or “CA”	means the Companies Act, 2013, to the extent notified, from time to time, and includes any re-enactment thereof, with all schedules and tables thereunder, as notified, with effect from the date of such notification in the official gazette of India including all rules, notifications, circulars, clarifications and orders issued thereunder including certain provisions of the Companies Act, 1956, as and where specified, and “Section” shall mean a section of the said Act
“Board”	implies the Board of Directors of the Company
“Company”	implies Tayo Rolls Limited
“Committee”/or “NRC”	implies the Nomination and Remuneration Committee of the Company
“Directors”	implies the directors on the Board
“Executive Director” or “ED”	implies Executive Director of the Company
“Independent Director” or “ID”	implies a non-executive Director of the Company, other than a nominee Director and who is neither a promoter nor belongs to the promoter group of the Company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Agreement entered into, with the respective Stock Exchanges in India
“Key Managerial Personnel” “KMP”	In relation to the Company, means the following key managerial personnel: a. the Chief Executive Officer and/or Managing Director b. Company Secretary c. Whole-time Director d. Chief Financial Officer
“Listing Agreement” or “LA”	implies the Listing Agreement as entered into by the Company with the Stock Exchanges in India
“MD”	implies the Managing Director of the Company
“Policy”	implies this Policy on appointment and removal of Directors as framed by the Committee; Policy on remuneration for directors, key managerial personnel and other employees; Process and criteria for annual performance evaluation of the Board, its Committees and Directors, as applicable

“Parent Company” Parent Company means a person/company who has control over the affairs of the Company, directly or indirectly, as a shareholder or otherwise and in accordance with whose advice, directions or instructions, the Board of Directors of the company is accustomed to act.

“Group Investment Management Center” or “GIM Center” Group Investment Management Center means department of Tata Steel Corporate function led by Group Director (Investments and New Ventures), Tata Steel. GIM acts as a single window among the Tata Steel Group Companies (i.e. Tata Steel, its subsidiaries, associates and JVs).

ANNEXURE 1

TAYO ROLLS LIMITED

POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS

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POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS

1. INTRODUCTION

- 1.1. In terms of Section 178 of the Companies Act, 2013, rules made thereunder and the Listing Agreement, entered into by the Company with Stock Exchanges in India, as amended from time to time, the Committee has formulated this policy on appointment and removal of Directors. The Policy has been adopted by the NRC vide its resolution dated [●] and approved by the Board of Directors vide its resolution dated [●]
- 1.2. This policy shall act as a guideline for determining qualifications, positive attributes, independence of a Director and matters relating to the appointment and removal of Directors.

2. OBJECTIVE OF THE POLICY

- 2.1 To lay down criteria and terms and conditions with regards to the identification of persons who are qualified to become Directors (executive, non-executive and independent) including their qualifications, positive attributes and independence.[CA Sec. 178] and who may be appointed as the Senior Management of the Company.

3. APPOINTMENT OF DIRECTORS

This Policy enumerates guidelines to be used by NRC in selecting/appointing/re-appointing and removal of a Director

For all the above stated matters, the Parent Company/GIM Center may make suggestions from time to time, to Chairman, NRC or to representative of the Parent Company, who may incorporate the same while recommending to the Board.

- 3.1 Assess skill-sets the Board needs given the strategies, challenges faced by the Company.
- 3.2 In selecting individuals for appointment/re-appointment/removal of directors, the NRC to refer to the following guidelines/policies:
 - 3.2.1 Board Membership Criteria (Refer **Schedule A**)
 - 3.2.2 Board Diversity Policy, if any, framed as per the requirement of law (Refer **Schedule B**)
 - 3.2.3 Criteria for determining independence of directors (in case of appointment of Independent Directors (Refer **Schedule C**))
- 3.3 Request candidature from the database maintained by Parent Company/GIM Center
- 3.4 NRC members (either jointly/individually, as delegated) shall meet the potential candidate and assess his/her suitability for the role.
- 3.5 NRC to recommend the appointment of shortlisted candidate to the Board for its consideration.

3.6 Emergency Succession: If position of a Director suddenly become vacant by reason of death or other unanticipated occurrence, the NRC shall convene a special meeting at the earliest opportunity to fill such vacancy.

4. POLICY IMPLEMENTATION

4.1 The Committee is responsible for recommending this Policy to the Board.

4.2 The Board is responsible for approving and overseeing implementation of this Policy (with the support of the Committee)

5. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

6. APPLICABILITY TO SUBSIDIARY / ASSOCIATE /JOINT VENTURE COMPANIES

This Policy may be adopted by the Company's subsidiaries/ Associates and Joint Ventures, if any, subject to suitable modifications and approval of the Board of Directors of the respective companies.

7. COMPLIANCE RESPONSIBILITY

Compliance of this policy 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.

Schedule A

BOARD MEMBERSHIP CRITERIA

The Nominations and Remuneration Committee works with the Board to determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education, and public service. Characteristics expected of all directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

In evaluating the suitability of individual Board members, the Committee considers many factors, including general understanding of marketing, finance, operations management, public policy, international relations, legal, governance and other disciplines relevant to the success of the Company in today's business environment; understanding of the Company's business; experience in dealing with strategic issues and long-term perspectives; maintaining an independent familiarity with the external environment in which the company operates and especially in the directors particular field of expertise; educational and professional background; personal accomplishment; and geographic, gender, age, and ethnic diversity.

The Board evaluates each individual in the context of the Board as a whole, with the objective of having a group that can best perpetuate the success of the Company's business and represent stakeholders interests through the exercise of sound judgment, using its diversity of experience.

In determining whether to recommend a director for re-election, the Committee, , also considers the director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent Board self-evaluation.

Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with the responsibilities at <name of the company>.

Schedule B
Board Diversity Policy

1. PURPOSE

The need for diversity in the Board has come into focus post the changes in the provisions of the Companies Act, 2013 (“Act”) and the corporate governance requirements as prescribed by Securities and Exchange Board of India (“SEBI”) under Listing Agreement.

The NRC has framed this policy to set out the approach to diversity on the Board of the Company (“Policy”).

2. SCOPE

This Policy is applicable to the Board of the Company.

3. POLICY STATEMENT

The Company recognizes the importance of diversity in its success. It is essential that the Company has as diverse a Board as possible.

A diverse Board will bring in different set of expertise and perspectives. The combination of Board having different skill set, industry experience, varied cultural and geographical background and belonging to different race and gender will bring a variety of experience and viewpoints which will add to the strength of the Company.

While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies.

The Committee reviews and recommends appointments of new directors to the Board. In reviewing and determining the Board composition, the Committee will consider the merit, skill, experience, race, gender and other diversity of the Board.

To meet the objectives of driving diversity and an optimum skill mix, the Committee may seek the support of Parent company/GIM Center.

4. MONITORING AND REPORTING

The Committee will report annually, in the corporate governance section of the Annual Report of the Company, the process it employed in Board appointments, if required by the law. The report will include summary of this Policy including purpose and the progress made in achieving the same.

5. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise

6. APPLICABILITY TO SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

This Policy may be adopted by the Company’s subsidiaries/ Associates and Joint Ventures, if any, subject to suitable modifications and approval of the board of directors of the respective companies.

7. COMPLIANCE RESPONSIBILITY

Compliance of this policy 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.

Schedule C

CRITERIA FOR DETERMINING INDEPENDENCE OF DIRECTORS

1. Purpose

The purpose of this policy is to define guidelines that will be used by the Board to assess the independence of Directors of the Company.

2. Independence Guidelines

A Director is considered independent if the Board makes an affirmative determination after a review of all relevant information. The Board has established the categorical standards set forth below to assist it in making such determinations. In order for a Director to be considered independent, the Director:

- 2.1 Shall not be Managing Director or a Whole time Director or a Nominee Director.
- 2.2 Shall be, in the opinion of the Board, a person of integrity and shall possess relevant expertise and experience.
- 2.3 Shall not be a promoter of the Company or its holding, subsidiary or associate Company.
- 2.4 Shall not be related to promoters or Directors in the Company, its holding, subsidiary, or associate Company.
- 2.5 Apart from receiving Director's remuneration, shall not have any pecuniary relationships with the Company, its holding, its subsidiaries, its associate companies, its promoters, or Directors, during the current financial year or immediately preceding two financial years.
- 2.6 Relatives should not have or had pecuniary relationships or transactions with the Company, its holding (s), subsidiary or associate Company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or INR 50 Lakhs or such amount as the Company may prescribe, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- 2.7 Neither himself / herself nor any of his / her relatives shall hold or has held the position of a KMP or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
- 2.8 Neither himself / herself nor any of his / her relatives shall or has been an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year, of:
 - a) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company;
 - b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with his relatives 2% or more of the total voting power of the Company ("Substantial Shareholder");
 - d) a Chief Executive or Director, by whatever name called, of any non-profit organization that receives 25%, or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds 2%, or more of the total voting power of the Company. [LA Clause 49 B / CA Sec 149 (6)]
- 2.9 Has not held office for more than 2 consecutive terms on the Board of the Company [CA Sec. 149]

- 2.10 Should not be a material supplier, service provider or customer or a lessor or a lessee of the Company [additional requirement for listed companies]
- 2.11 Shall not be less than 21 years of age. [LA Clause 49 II B]
- 2.12 Who possesses such other qualifications as may be prescribed by the Companies Act, 2013.

DEFINITIONS IN ADDITION TO THOSE PROVIDED ABOVE

1. **“Nominee Director”** implies a Director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any government or any other person to represent its interests. [Companies Act 2013 – 149 Explanation]
2. **“Associate Company”** implies a Company which is an “associate” as defined in Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements”, issued by the Institute of Chartered Accountants of India.[Clause 49 II B, explanation]
Associate Company in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. [Sec 2(6) of CA, 2013]
Explanation.—For the purposes of this clause, “significant influence” means control of at least twenty per cent. of total share capital, or of business decisions under an agreement;
3. **“Relative”** implies anyone who is related to another if they are members of HUF; if they are husband and wife; or if one person is related to the other in such manner as may be prescribed under the Act. A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely – Father (includes step-father), Mother (includes step-mother), Son (includes step-son), Son’s wife, Daughter, Daughter’s husband, Brother (includes step-brother), Sister (includes step-sister) [CA Sec. 2(77)]

Explanations:

Consecutive Terms: He/ she shall be eligible for appointment as Independent Director after the expiration of three years of ceasing to be a Director on the Board of the Company provided that he / she shall not during the said period of three years, be appointed in or associated with Tayo Rolls Limited in any other category, either directly or indirectly.

TAYO ROLLS LIMITED

REMUNERATION POLICY OF DIRECTORS, KMPs AND OTHER EMPLOYEES

REMUNERATION POLICY OF DIRECTORS, KMPs AND OTHER EMPLOYEES

The philosophy for remuneration of directors, Key Managerial Personnel (“KMP”) and all other employees of Tayo Rolls Limited (“Company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”) and Clause 49(IV)(B)(1) of the Equity Listing Agreement (“Listing Agreement”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

“(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals”

For all matters related to remuneration to directors, the Parent Company/GIM Center may make suggestions from time to time, to Chairman, NRC or to representative of the Parent Company, who may incorporate the same while recommending to the Board.

Key principles governing this remuneration policy are as follows:

1. Remuneration for independent directors and non-independent non-executive directors

- 1.1. Overall remuneration should be reflective of the size of the company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay the remuneration.
- 1.2. Independent directors (“ID”) and non-independent non-executive directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members). Quantum of sitting fees and NED Commission may be subject to review on a periodic basis, as required.
- 1.3. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- 1.4. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- 1.5. Overall remuneration practices should be consistent with recognized best practices.

- 1.6. The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board, based on company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- 1.7. The NRC will recommend to the Board, , the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- 1.8. In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company,. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

2. Remuneration for managing director ("MD")/ executive directors ("EDs")/ KMP/ rest of the employees

- 2.1. The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
 - 2.1.1. Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
 - 2.1.2. Driven by the role played by the individual,
 - 2.1.3. Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
 - 2.1.4. Consistent with recognized best practices and
 - 2.1.5. Aligned to any regulatory requirements.
- 2.2. In terms of remuneration mix or composition,
 - 2.2.1. The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
 - 2.2.2. Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - 2.2.3. In addition to the basic/ fixed salary, the company may provide employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company may also provide all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursments or insurance cover and accidental death and dismemberment through personal accident insurance.
 - 2.2.4. The company provides retirement benefits as applicable.
 - 2.2.5. In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company may provide MD/ EDs such remuneration by way of bonus/performance linked incentive and/or commission calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, , subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.

2.2.6. The company may provide the rest of the employees a performance linked bonus and/or performance linked incentive. The performance linked bonus/performance linked incentive would be driven by the outcome of the performance appraisal process and the performance of the company.

3. Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- The services rendered are of a professional nature; and
- The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

4. Premium on Insurance policy

4.1. Where any insurance is taken by the Parent Company or by the company on behalf of the Company's NEDs, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.

4.2. Where any insurance is taken by the Parent Company or by the company on behalf of the Company's MD/EDs, KMP and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

Review of the Policy

This Policy will be reviewed and reassessed by the NRC as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

Applicability to subsidiaries, associates and joint venture companies

This policy may be adopted by the company's subsidiaries, associates and joint venture companies, if any, subject to suitable modifications and approval of the board of directors of the respective companies.

Compliance Responsibility

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

For any clarifications required on the interpretation of the Policy, you may kindly consult the Company Secretary (email at: prashantkumar@tayo.co.in) of Tayo Rolls Limited .

TAYO ROLLS LIMITED

PROCESS AND CRITERIA FOR ANNUAL PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

A. PROCESS FOLLOWED FOR ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

1. Send questionnaires to Directors for Board/ Committees and Self Evaluation.
2. Directors to return the filled in questionnaires to the Chairman, NRC by email at skbpb@gmail.com or through any other mode.
3. Chairman, NRC to consolidate the responses and forward the summary as follows:
 - a. Individual Independent Director evaluation to Board Chairman.
 - b. Respective Committee evaluation to such Committee.
4. Chairman of NRC to seek one on one feedback from Managing Director(MD)/ Executive Director(ED)/Non Independent Directors (NID) on the Board and other Directors.
5. Chairman of the Board to seek one on one feedback from Independent Directors on the Board and other Directors.
6. Meeting of Chairman of the Board and of Chairman of NRC to discuss feedback on the Board (as a whole) and other individual Directors.
7. NRC meeting to review performance of all the Directors.
8. Independent Directors Meeting to review performance of the Board, Chairman and NIDs. .
9. Chairman of NRC to discuss with the Chairman of the Board, the collective feedback of the IDs on the performance of the Board as a whole, performance of the Chairman and performance of NIDs.
10. Board meeting to discuss the evaluation of the Board and the Committees.
11. Chairman of the Board to provide feedback to Independent Directors, MD &ED on individual basis, as appropriate.
12. NRC Chairman to provide feedback to NID
13. NRC meeting for performance evaluation of MD/ED based on their goal sheet and company performance and recommendation of remuneration to Directors including MD & ED.
14. Board meeting to approve the remuneration to the Directors including MD & ED. The Company Secretary shall send a copy of the evaluation reports to the Parent Company/GIM Center.

B. BOARD EVALUATION – QUESTIONNAIRE TEMPLATE

This questionnaire has been designed to evaluate the Board. Every question would need to be evaluated on a 5 point scale as given below.

Strongly disagree 1	2	Neither agree nor disagree 3	4	Strongly Agree 5
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The questionnaire also provides for space for qualitative comments.

I. Degree of fulfilment of key responsibilities – The Board....	
.... satisfactorily meets the key criteria for long term value creation for all stakeholders (as established by the Board and specific to the Company strategy)	
.... effectively performs the responsibilities as required by law (i.e. as provided in Act and Clause 49)	
.... effectively reviews and approves the Annual Operating Plan (including the strategy and the resources plan)	
.... shows effective oversight of maintenance of high standards of Tata Values and ethical conduct of business	
....devotes sufficient time in review of TBEM findings and monitoring of action plan	
....takes adequate actions towards the protection and enhancement of the company and Tata brand	
Comments:	
II. Board structure and composition – The Board....	
....is staffed adequately (in terms of size, skills/ expertise, experience and gender) to carry out the responsibilities	
....has a composition of directors aligned to the needs and strategy of the company	
Comments:	
III. Establishment and delineation of responsibilities to committees	
The Board committees established by the Board are effective in terms of their number and scope	
There is clarity between the Board and every committee with respect to the role played by the committee	
The committees are effective in fulfillment of responsibilities delegated to them by the Board	
There is good coordination and cohesiveness in the working of the Board and the committees	
Comments:	
IV. Effectiveness of Board processes, information and functioning	
The frequency of Board meetings is adequate	
The agenda discussed in the meetings is clear and realistic in terms of number and nature of items to be	

<i>covered</i>	
<i>Time allotted for every meeting is adequate to cover most of the agenda items</i>	
<i>Information provided for the meeting is adequate and presented in a way that facilitates productive discussion (i.e. material is relevant with the right amount of detail and is “reader-friendly”)</i>	
<i>Information required for the meeting is provided with adequate time for preparation</i>	
<i>Sufficient time is spent in discussing critical issues/ issues of strategic importance</i>	
<i>The Board does not wander into unwanted minutiae or tangents while discussing agenda items</i>	
<i>The Board is able to add value in matters of critical significance for the company</i>	
<i>Discussions/ decisions made in the meeting show a large degree of alignment with the overall company strategy</i>	
<i>The minutes of the meeting effectively capture the discussion / decisions taken and the post meeting actions</i>	
<i>There is an effective system for monitoring and driving closure of critical post meeting actions/ decisions.</i>	
Comments:	
V. Board Culture and Dynamics	
<i>All directors have clarity of their role and responsibilities</i>	
<i>All directors feel free to speak their mind and contribute effectively on key issues</i>	
<i>There is cohesiveness in the overall working of the Board</i>	
<i>There is adequate dialogue and participation from directors on critical issues/ issues of strategic importance</i>	
<i>Conflict/ differences of opinion between directors are managed constructively</i>	
<i>Directors are respectful to each other</i>	
Comments:	
VI. Quality of relationship between the Board and the Management	
<i>There is clarity between the Board and the management with respect to the role played by each of them</i>	
<i>Board members are accessible to senior management employees and vice-versa</i>	
<i>Adequate opportunities are availed by the Board to be exposed to the company’s management and to understand the company’s products and operations</i>	
<i>The management shows a high degree of responsiveness to the guidance/ direction provided by the Board.</i>	
<i>The Board is apprised in a timely manner by the management of important developments affecting the company</i>	
<i>There is mutual trust between Board members and senior management</i>	

Comments:

VII. Efficacy of communication with external stakeholders

The Board is adequately involved in communication with various external stakeholders/ public constituencies such as the media, financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers

The Board (where involved) is effective in communication with various external stakeholders/ public constituencies

Comments:

Overall Comments

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C. BOARD COMMITTEE – SAMPLE QUESTIONNAIRE TEMPLATE

This questionnaire has been designed to evaluate the committee. Every question would need to be evaluated on a 5 point scale as given below.

Strongly disagree 1	2	Neither agree nor disagree 3	4	Strongly Agree 5
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The questionnaire also provides for space for qualitative comments.

I. Degree of fulfillment of key responsibilities	
<i>The committee effectively performs the responsibilities as outlined in the charter</i>	
<i>The mandate of the committee is sufficient in addressing the objectives for which it was set up by the Board</i>	
Comments:	
II. Adequacy of Committee Composition – The committee....	
<i>...is staffed adequately (in terms of size, skills/ expertise, experience) to carry out the responsibilities</i>	
Comments:	
III. Effectiveness of meetings	
<i>The frequency of committee meetings is adequate</i>	
<i>The agenda discussed in the meetings is clear and realistic in terms of number and nature of items to be covered</i>	
<i>Time allotted for every meeting is adequate to cover most of the agenda items</i>	
<i>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”)</i>	
<i>Sufficient time is spent in discussing critical issues/ issues of strategic importance</i>	
<i>The committee does not wander into unwanted minutiae or tangents while discussing agenda items</i>	
<i>Appropriate balance is maintained in analyzing the past, discussing current issues and planning for future</i>	
<i>Discussions/ decisions made in the meeting show a large degree of alignment with the overall company strategy</i>	
<i>There is an effective system for monitoring and driving closure of critical post meeting actions/ decisions</i>	
Comments:	
IV. Committee dynamics	
<i>All members have clarity of their role and responsibilities</i>	

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

D. INDIVIDUAL DIRECTOR (EXCLUDING CHAIRMAN) – SELF-ASSESSMENT QUESTIONNAIRE TEMPLATE

This questionnaire has been designed to enable self-assessment by every individual director. Every question would need to be evaluated on a 5 point scale as given below.

Strongly disagree 1	2	Neither agree nor disagree 3	4	Strongly Agree 5
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Individual Director Effectiveness – Self Assessment	<Name of Director>
I. Attendance (captured from records of meetings)	
II. Contribution at meetings	
<i>I am well informed of the agenda and well prepared on the issues to be discussed</i>	
<i>I provide meaningful and constructive contribution and inputs in meetings</i>	
<i>I display independence of judgment</i>	
<i>I display candor in expressing views even when they are in divergence with the rest of the Board</i>	
<i>I have built effective working relationships with other Board members</i>	
III. Guidance/ support to management outside Board/ Committee meetings	
<i>I am accessible to the senior management of the company and have built effective working relationships with them</i>	
<i>I provide a good degree of direction/ guidance to senior management outside of meetings</i>	
<i>I display initiative with respect to follow-up and closure of critical issues</i>	
<i>I display a good degree of understanding of the company, industry, sector, geography (including risks, current operational and environmental context, emerging trends)</i>	
<i>I am proactive in efforts to gain knowledge about the company, industry, sector and geography</i>	

E. CHAIRMAN – SELF-ASSESSMENT QUESTIONNAIRE TEMPLATE

This questionnaire has been designed for self-assessment of the Chairman of the Board. Every question would need to be evaluated on a 5 point scale as given below.

Strongly disagree 1	2	Neither agree nor disagree 3	4	Strongly Agree 5
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Individual Director Effectiveness – Self Assessment	<Name of Board Chair>
I. Attendance (captured from records of meetings)	
II. Contribution at meetings	
<i>I am well informed of the agenda and well prepared on the issues to be discussed</i>	
<i>I provide meaningful and constructive contribution and inputs in meetings</i>	
<i>I display independence of judgment</i>	
<i>I display candor in expressing views even when they are in divergence with the rest of the Board</i>	
<i>I have built effective working relationships with other Board members</i>	
III. Guidance/ support to management outside Board/ Committee meetings	
<i>I am accessible to the senior management of the company and have built effective working relationships with them</i>	
<i>I provide a good degree of direction/ guidance to senior management outside of meetings</i>	
<i>I display initiative with respect to follow-up and closure of critical issues</i>	
<i>I display a good degree of understanding of the company, industry, sector, geography (including risks, current operational and environmental context, emerging trends)</i>	
<i>I am proactive in efforts to gain knowledge about the company, industry, sector and geography</i>	
IV. Effectiveness as Chairman	
<i>I provide effective leadership to the Board</i>	
<i>I set an effective strategic agenda of the Board (in conjunction with the company's management) with focus on long term value creation for all stakeholders.</i>	
<i>I encourage active engagement by all the members of the Board and promote effective relationships and open communication.</i>	

Individual Director Effectiveness – Self Assessment	<Name of Board Chair>
<i>I communicate effectively with all stakeholders and enable meaningful relationships, as required.</i>	
<i>I motivate and provide guidance to the MD/ CEO.</i>	

Tayo Rolls Limited

Policy on Independent Director Familiarization & Continuing Education Programme

1. INTRODUCTION

This Policy on Familiarization and Continuing Education Program for Independent Directors of the Company has been adopted by the Board pursuant to Schedule IV of the Act, 2013 and Clause 49

(II)(B)(7)(a) of the Listing Agreement.

2. PURPOSE AND OBJECTIVE OF THE POLICY

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

3. FAMILIARIZATION AND CONTINUING EDUCATION PROCESS

3.1 The Company shall through its MD/EDs/KMPs conduct programs/presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company;

3.2 Such programs / presentations will provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time;

3.3 The programs/presentations shall also familiarize the Independent Directors with their roles, rights and responsibilities;

3.4 The Company may circulate news and articles related to the industry on a regular basis and may provide specific regulatory updates from time to time;

3.5 The Company may conduct an introductory familiarization program/presentation, when a new Independent Director comes on the Board of the Company. New Independent Directors shall meet with the Chairperson, Key Managerial Personnel and Senior Management to discuss the functioning of the Board and the nature of the operation of the Company's business activities. In addition, new Director shall be provided with copies of the following documentation:

- 3.5.1 Board and Board Committee Charters
- 3.5.2 The Tata Code of Conduct
- 3.5.3 Last published annual report
- 3.5.4 Schedule of upcoming Board and Committee meetings
- 3.5.5 Whistle blower Policy

3.6 The Company may provide the Independent Directors with an annual Board education allowance in respect of continuing education with the amount of such allowance to be set by the Board from time to time, in consultation with the Parent Company/GIM.

3.7 Providing Directors with tours of the Company's facilities from time to time.

4. DISCLOSURES

As and when the Company undertakes familiarization and continued education Programme for its Independent Directors as per this Policy, it shall be uploaded on the Company's website for public information and a web link for the same shall also be provided in the Annual Report of the Company, if required by law. [LA Clause 49 (II) (B)]

5. REVIEW OF THE POLICY

The Board will review this Policy and make revisions as may be required.

6. APPLICABILITY TO SUBSIDIARIES COMPANIES/ ASSOCIATES/ JOINT VENTURE COMPANIES

This policy may be adopted by Subsidiaries / Associates and Joint Ventures, if any, subject to suitable modifications, in consultation with Parent Company/GIM Center.

7. COMPLIANCE RESPONSIBILITY

Compliance of this policy 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.

Tayo Rolls Limited

Risk Management Policy

INTRODUCTION

Tayo Rolls Limited (the Company) is exposed to inherent uncertainties owing to the sectors in which it operates. A key factor for a Company's capacity to create sustainable value is the risks that the Company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a Company's operating environment and continuously emerge on regular basis. Risk management does not aim at eliminating them, as that would simultaneously eliminate all chances of rewards/ opportunities. Risk Management is instead focused at ensuring that these risks are known and addressed through a pragmatic and effective risk management process.

This Risk Management Policy aims to detail the objectives and principles of risk management at Tayo Rolls Limited along with an overview of the process and related roles and responsibilities. The Policy is a formal acknowledgement of the commitment of the Company to risk management.

1. COMPANY'S POLICY STATEMENT

Tayo Rolls Limited is committed to adopt a proactive approach to risk management which is based on the following underlying principles:

- Tayo Rolls Limited endeavours to create risk awareness across the organization.
- The Company strives to anticipate and take preventive action to manage or mitigate risks and deal with the residual risk.
- The Company will implement, review and monitor a uniform risk management framework across all units, functions and geographies.
- All employees of the Company take responsibility for the effective management of risks in all aspects of the business.

2. RISK MANAGEMENT OBJECTIVES

The objective of risk management at Tayo Rolls Limited is to develop a risk intelligent culture that supports decision making and helps improve performance. Specifically, the Company intends to achieve the following objectives:

- a. Better understand the Company's risk profile and develop a common understanding of risk & risk management process across the Company;
- b. To identify & manage uncertainties which may have significant potential impact on the Company's objectives & values.
- c. Ensure that the Management is in a position to make informed business decisions based on risk assessment;
- d. Contribute to safeguard Company's value and interest of all stakeholders; and
- e. Improve compliance with good corporate governance guidelines and practices as well as laws & regulations;

Risk Management has always been an integral part of business practices at Tayo Rolls Limited. This Policy aims at formalising a process to deal with the risks at Tayo Rolls Limited, building on existing management practices, knowledge and structures.

3. RISK MANAGEMENT FRAMEWORK

While defining and developing a formalised risk management process, leading risk management standards and practices will be considered. The focus must be to make the process relevant to business reality and to keep it pragmatic and simple from an implementation and use perspective.

The process may be reviewed annually along with the business planning exercise or at any point of time on account of significant changes in internal business conduct or external business environment. For all business proposals that are placed for the Board/Committee's consideration, appropriate risks associated with the proposal and mitigation plans are to be placed.

The overall risk management process shall cover:

1. Setting the context:

The Company's strategy planning process should validate the themes and the business objectives of the Company annually. The business objectives may include performance themes such as financial, clients & markets, operational excellence, regulatory, safety, health, environment, leadership, reputation - and the balance between short, medium and long term. The corporate performance objectives with the performance metrics and targets to be achieved during the year may be captured in the Annual Business Plan or Long Term Planning exercise. The corporate performance should be measured, monitored and managed on an on-going basis.

The focus of risk management should be to assess the risks to the achievement of key business objectives as captured in the Annual Business Plan or the Long Term Plan and to deploy mitigation measures. There shall be periodic review meetings of Risk Management Committee and the Management and focus on reviewing risks to the achievement of business objectives and actions taken to mitigate them.

Where Risk Management Committee (RMC) is not mandatorily required to be constituted by law, the role of RMC will be performed by the Board of Directors or its representatives.

2. Identifying and prioritizing risks:

Mechanisms for identification and prioritization of risks may include risk surveys, industry benchmarking, incident analysis, business risk environment scanning and focused discussions with Management and Risk Management Committee or Board, as applicable. Risk register and internal audit findings may also be considered for risk identification and assessment. Operational risks may be assessed primarily on dimensions such as, strength of underlying controls, compliance to policies and procedures and business process effectiveness.

3. Managing risks

Risk evaluation may be carried out to decide the significance of risks to the Company. Estimated risks can be compared against the established risk criteria.

For identified top risks, dashboards may be created that track external and internal indicators relevant for risks to indicate the risk level and its likelihood of occurrence. The trend line assessment of top risks, analysis of exposure and potential impact can be carried out periodically. Mitigation plans should be finalized, owners be identified and progress of mitigation actions be monitored and reviewed.

4. Risk reporting and monitoring

The Head of Risk Management will ensure:

- That risks to achievement of business objectives, trend line of risk level, impact and mitigation actions are reported and discussed with the Management and Risk Management Committee or Board, as applicable on periodic basis.
- Periodic updates are provided to the Board of Directors highlighting key risks, their impact and mitigation actions.
- Key risk factors are disclosed in the regulatory filings.

5. Activity Calendar

The Company should define a *Risk Management Activity Calendar* that summarizes the different activities and schedules for the risk management process.

4. GOVERNANCE FRAMEWORK

The Risk Management Process is supported by the Risk Management Governance Structure.

Where Risk Management Committee (RMC) is not mandatorily required to be constituted by law, the role of RMC will be performed by the Board of Directors or its representatives.

A. Governance: Board of Directors

The Board of Directors shall exercise the corporate governance oversight of risk management performed by the Management. The Board may delegate the direct oversight responsibility for the deployment of the Risk Management process to the Management or Risk Management Committee, if required by law. The audit committee shall be responsible to evaluate on a regular basis the adequacy of risk management systems.[CA 177(4)(vii) and LA 49(III)(D)(11)]

B. Governance: Risk Management Committee or Board, as applicable

The role of Risk Management Committee (RMC) will be performed by the Board of Directors or its representatives in companies that are not required mandatory to set up an RMC.

The Risk Management Committee shall assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management.

The Committee or Board, as applicable shall review the risk management practices and actions deployed by the Management in respect of identification, impact assessment, monitoring, mitigation and reporting of key risks to the achievement of business objectives.

The Risk Management Committee or Board, as applicable shall review (i) the risk report produced by the Management at frequent intervals; (ii) the reports from the various assurance functions on a periodic basis; and (iii) the Committee shall also take note of risk related disclosures made by Management in regulatory filings such as the Annual Report, Information Memorandum etc. (iv) assist the Audit Committee of the Board in the evaluation of risk management systems of the Company.

The Committee or Board, as applicable shall also oversee a formal presentation by the Management to the Board on the Risk Management activities at the Company. The presentation may be scheduled quarterly or at such intervals as may be decided by the Committee or Board or Management. The presentation may include a report of the key risks faced by the Company together with an assessment of the system of risk management.

C. Governance: Alignment of Risk and Audit Committee Oversight, if the company has any Risk Management Committee

Global best practices suggest that there be at least one common member between the Risk and Audit Committee. Further, governance practices suggest having a joint meeting of the Risk and Audit Committee at least once a year to review strategic, operational and financial risks. Further this meeting will review the systems, controls and processes in each of these areas. The Company endeavors to follow these practices.

D. Governance: Execution

- i. Management: Management will be responsible for operationalizing the risk management framework. This includes identifying & prioritizing risks, operationalizing mitigation strategies and reporting on risk mitigation. Management will further support the Risk Management Committee or Board, as applicable by providing necessary inputs on the economy, industry and the Company.
- ii. Divisional/Functional Risk Management: Each Division/Function, should strive to support the Management pursue objectives by providing necessary Division/Function specific inputs. Stakeholders at various levels should take accountability for risk identification, appropriateness of risk analysis, and timeliness as well as adequacy of risk mitigation decisions at both individual and aggregate levels.

In connection with the routine business activities, the Divisional Heads are required to implement the risk management framework within their respective area.

In connection with non-routine business activities, such as mergers & acquisitions, divestments, entering into new lines of business, ERP implementation etc., the officer-in-charge of such a transaction shall have the responsibility for operationalizing risk management for such activities.

- iii. Head of Risk Management: The Company will have Risk Management Officer for overseeing the deployment of the Risk Management Procedures. The primary role of Head of Risk Management will be to ensure that the Company achieves its objectives of timely anticipation of risks and opportunities, and a cohesive and consistent response through the active involvement of process owners in reviewing risks, timely meetings, comprehensive discussions at respective units, effective escalation and regular monitoring of risks.

In addition, each division/function should have a risk management coordinator who oversees & coordinates the deployment of risk management activities within the Division/function.

- iv. Head-Internal Audit: The Head of Internal Audit will attend all Risk Management Committee meetings or Risk Management Meetings held by Management, as applicable, to be aware of risks affecting the organisation and conduct risk based audits accordingly.
- v. Risk Owners: Risk Owners shall review the risks documented in the risk register and track mitigation actions. Further, the Risk Owners will identify emerging risks, perform root cause analysis and manage risks within his/her control.

5. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the Committee or Board, as applicable as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

6. *APPLICABILITY TO SUBSIDIARIES/ ASSOCIATES/ JV COMPANIES*

This policy may be adopted by the Company's Subsidiaries / Associates and JVs subject to suitable modifications (in consultation with the Parent Company/GIM Center) and approval of the Board of Directors of the respective companies.

8. *COMPLIANCE RESPONSIBILITY*

Compliance of this policy 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.