

Corporate Governance Report for the financial year 2020-21

I. **Company's Philosophy on Corporate Governance**

Our Governance Philosophy is to ensure fair, transparent, accountable and ethical management in order to protect the interests of all stakeholders, as well as the Shareholders, Employees, Customers, Vendors, Regulators and the Society. As a responsible corporate citizen, Tata Sons Private Limited ("Tata Sons" or "the Company") follows the laws of the land in letter and spirit. Further, the governance philosophy of the Company is based on resilience. Globally, organisations are becoming vulnerable as businesses become complex, virtual and interdependent. The Company believes that it is imperative to build a sustainable and resilient enterprise.

The Tata Code of Conduct provides an ethical road map and guidelines for employees of Tata companies. All the full-time employees of the Tata group are obliged to follow the tenets of the Tata Code of Conduct. It encapsulates our values of integrity, responsibility, excellence, pioneering and unity. It lays down the principles of the highest moral and ethical standards; highest standards of corporate governance; respect for human rights and dignity; professionalism, honesty, fairness and integrity in all interactions with employees, customers, communities and the environment, partners, financial stakeholders and government and regulators.

The Company's corporate governance philosophy has been further strengthened through its Code of Conduct for Prevention of Insider Trading ("Insider Trading Code").

II. **Board of Directors**

- i. As on March 31, 2021, the Company had seven Directors and the Board is constituted in terms of the applicable provisions of the Companies Act, 2013 ("Act") and the Articles of Association of the Company. Upon completion of her second term, Mrs. Farida Khambata ceased to be an Independent Director of the Company w.e.f. March 31, 2021.
- ii. Based on the information received from the Directors, none of them have been debarred or disqualified from being appointed or continuing as Directors of companies. Further, none of the Directors are related to each other. The Directors also affirm that they meet the 'fit and proper' criteria on a continuous basis and hence qualify to continue as Directors of the Company. None of the Directors or Key Managerial Personnel hold any share in the Company. The profiles of Directors are available at <https://www.tata.com/management-team>.

The Company being a private limited company, the provisions of the Act relating to appointment of Independent Directors are not applicable to the Company. In order to provide additional safeguards, transparency and high standards of corporate governance, the Articles of Association of the Company include certain provisions that are applicable to a public company, i.e. Increase in strength of the Board, Independent Directors, Audit Committee, Nomination and Remuneration Committee, Related Party Transactions and Retirement of Directors by rotation.

III. Committees of the Board

- i. The Company has five Board Committees as on March 31, 2021. The details of the Committee along with the extract of terms of reference, category and composition are as follows:

| Name of the Committee | Extract of Terms of Reference | Category and Composition | | Other Details |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Name | Category | |
| Audit Committee | <p>The terms of reference of the Audit Committee are as follows:</p> <ul style="list-style-type: none"> - the recommendation for appointment, remuneration and terms of appointment of auditors of the Company; - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; - examination of the financial statement and the auditors' report thereon; - approval or any subsequent modification of transactions of the Company with Related Parties; - scrutiny of inter-corporate loans and investments; - valuation of undertakings or assets of the Company; and - evaluation of internal financial controls and risk management systems | Mr. Ajay Piramal, Chairman | Independent Director | <p>Committee invites such Executives as it considers appropriate, representatives of the Statutory Auditors and Internal Auditors, to be present at its meetings.</p> <p>The Audit Committee, <i>inter alia</i>, reviewed the audited financial statements of the Company for the Financial Year ended March 31, 2021, prepared under IndAS and the report of the Auditors thereon before they were submitted to the Board.</p> <p>The previous AGM of the Company was held on August 27, 2020 and attended by Mr. Ajay Piramal, the Chairman of the Audit Committee.</p> |
| | | Mrs. Farida Khambata* | Independent Director | |
| | | Mr. Venu Srinivasan | Non-Executive Director | |
| | | <p>* Consequent upon cessation of Mrs. Farida Khambata, as a Director of the Company with effect from March 31, 2021, she ceased to be a Member of the Audit Committee. The Board has appointed Mr. Harish Manwani as a Member of the Audit Committee with effect from May 25, 2021.</p> | | |
| Nomination & Remuneration Committee (NRC) | <p>The terms of reference of the Nomination and Remuneration Committee are as follows:</p> <ul style="list-style-type: none"> - identifying persons who are qualified to become Directors of the Company, and recommending to the Board the terms of their appointment and re- appointment; - identifying persons who are qualified to be appointed to senior management positions in the Company, and recommending to the Board the terms of their appointment and re-appointment; - formulating criteria for evaluation of performance of the Directors of the Company; - formulating criteria for determining qualifications, positive attributes and independence of a Director; and - recommending to the Board of Directors a policy relating to the remuneration for the Directors, key managerial personnel and other employees. | Mr. Harish Manwani, Chairman | Independent Director | <p>The Company carries on the Performance Evaluation of the Board, Board Committees, Chairman and individual Directors on an annual basis.</p> <p>The previous AGM of the Company was held on August 27, 2020 and attended by Mr. Harish Manwani, the Chairman of the NRC.</p> |
| | | Mr. N. Chandrasekaran | Executive Chairman | |
| | | Mrs. Farida Khambata* | Independent Director | |
| | | Mr. Venu Srinivasan | Non-Executive Director | |
| | | Mr. Ajay Piramal | Independent Director | |
| | | <p>* Consequent upon cessation of Mrs. Farida Khambata as a Director of the Company with effect from March 31, 2021, she ceased to be a Member of the NRC.</p> | | |

| Name of the Committee | Extract of Terms of Reference | Category and Composition | | Other Details |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------|
| | | Name | Category | |
| Corporate Social Responsibility ("CSR") | <p>The extract of the terms of reference are as follows:</p> <ul style="list-style-type: none"> - Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII to the Act; - Recommend the amount of expenditure to be incurred on the activities referred to in clause above; and - Monitor the Corporate Social Responsibility Policy of the Company from time to time. | Mr. N. Chandrasekaran, Chairman | Executive Chairman | The Committee was renamed as the 'CSR & ESG Committee' at the meeting of the Board of Directors held on May 25 & 26, 2021. |
| | | Mr. Ajay Piramal | Independent Director | |
| | | Mr. Harish Manwani | Independent Director | |
| | | | | |
| Group Risk Management Committee ("GRMC") | <p>The terms of reference of the GRMC are as follows:</p> <ul style="list-style-type: none"> - Analyse the material risks to which the group, its businesses and subsidiaries are exposed. It must discuss all risk strategies both at an aggregated level and by type of risk and make recommendations to the Board in accordance with the group's overall risk appetite; - Identify potential intra-group conflicts of interest; - Assess whether there are effective systems in place to facilitate exchange of information for effective risk oversight of the group; - Assess whether the corporate governance framework addresses risk management across the group; - Carry out periodic independent formal review of the group structure and internal controls; and - Articulate the leverage of the Group and monitor the same. | Mr. Venu Srinivasan | Non-Executive Director | The Board at its meeting held on March 1, 2021 had formed a GRMC. |
| | | Mr. Harish Manwani | Independent Director | |
| | | Mr. Bhaskar Bhat | Non-Executive Director | |
| | | Mr. Ajay Piramal | Independent Director | |
| | | Mr. Saurabh Agrawal | Executive Director | |
| Asset Liability Management Committee ("ALCO") | <p>The terms of reference of the Committee are as follows:</p> <ul style="list-style-type: none"> - The ALCO shall formulate and recommend to the Board, an Asset Liability Management Policy in order to manage risks within a framework that includes self-imposed tolerance limits; - The ALCO shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company; - The ALCO shall delegate the responsibility of liquidity management and Interest risk management to Treasury, Finance departments to measure, monitor and report the risk. | Mr. Saurabh Agrawal, Chairman | Executive Director | The Board at its meeting held on March 1, 2021 had formed a ALCO. |
| | | Mr. Suprakash Mukhopadhyay | Company Secretary | |
| | | Mr. Eruch N. Kapadia | Chief Financial Officer | |
| | | | | |

V. General Body Meetings
i. General Meeting
a. Annual General Meeting (AGM)

| Financial Year | Date | Time | Venue |
|----------------|--------------------|-----------------|------------------------------------------------------|
| 2017-18 | September 20, 2018 | 2.30 p.m. (IST) | Bombay House, 24 Homi Mody Street, Mumbai 400 001 |
| 2018-19 | August 23, 2019 | 2.30 p.m. (IST) | |
| 2019-20 | August 27, 2020 | 2.30 p.m. (IST) | Video Conferencing / Other Audio Visual Means |

No extraordinary general meeting of the Company was held during the Financial Year 2020-21.

b. Special Resolution(s):

| Financial Year | Special Resolution(s) |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2017-18 | - Re-appointment of Mr. Ranendra Sen as an Independent Director - Re-appointment of Mrs. Farida Khambata as an Independent Director - Offers or Invitations to subscribe to Non-Convertible Debentures on a Private Placement basis |
| 2018-19 | - Re-appointment of Mr. Ajay Piramal as an Independent Director - Offers or Invitations to subscribe or issue Non-Convertible Debentures on a Private Placement basis |
| 2019-20 | No Special Resolution |

VI. General shareholder information
i. Annual General Meeting for the Financial Year 2020-21

Day & Date : Tuesday, September 14, 2021

Time : 2.30 p.m. (IST)

Venue : Video Conferencing / Other Audio Visual Means

As required under Secretarial Standard on General Meetings, particulars of Directors seeking re-appointment at the ensuing AGM are given in the Notice of the forthcoming AGM.

ii. Financial Calendar

a. Year ending : March 31, 2021

b. AGM : Tuesday, September 14, 2021

c. Dividend Payment : The dividend, if approved by the shareholders shall be paid to the shareholders, in accordance with the provisions of the Companies Act, 2013

iii. Corporate Identity Number (CIN) of the Company: U99999MH1917PTC000478
iv. Place for acceptance of Documents: Bombay House, 24 Homi Mody Street, Mumbai 400 001
**v. Details of Debenture Trustees: Centbank Financial Services Limited
3rd Floor (East Wing), Central Bank of India MMO Building, 55 M G Road, Fort, Mumbai, 400 001**
**vi. Address for correspondence: Bombay House, 24 Homi Mody Street, Mumbai 400 001
Phone: 91 22 6665 8282 Fax: 91 22 6665 8080
E-mail: csteam@tata.com Website: www.tata.com**