

# **NOMINATION & REMUNERATION POLICY**

## **SREE SATYANARAYANA SPINNING MILLS LTD**

### **NOMINATION & REMUNERATION POLICY**

Sree Satyanarayana Spinning Mills Ltd has always recognised Human Resource as its most valuable asset to bring value addition to the Company. Sree Satyanarayana Spinning Mills Ltd aims to have a transparent, fair and reasonable process for determining the need to have appropriate persons to manage various positions with adequate remuneration package for retaining and encouraging high quality talent.

Section 178 of the Companies Act, 2013 provides that every listed Company shall constitute a Nomination and Remuneration Committee consisting of 3 or more Non-executive Directors, of which not less than one half shall be Independent Directors.

To align with the above provisions, the Board of Directors vide circular resolution passé don 14<sup>th</sup> November, 2018 re-constituted Nomination & Remuneration Committee comprising of following Independent Directors as its Members :-

- 1) Sri P.Narendranath Chowdary, Member
- 2) Sri A. Dharmaraju, Member
- 3) Sri S.Parvatha Rao, Member

#### **Terms of reference of this Committee shall be:**

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### **NOMINATION:**

With regard to Nomination, the Nomination & Remuneration Committee shall.

- Identify the persons who are qualified to become Directors, persons who may be appointed as Key Managerial Personnel and Functional Heads, assess the desired competencies and skills required with reference to areas, such as, gender, age, qualifications and experience and other positive attributes.

## **SREE SATYANARAYANA SPINNING MILLS LTD**

- From time to time, assess the extent to which the required skills are represented on the Board.
- At the request of the Board, facilitate evaluation of the Board's performance.
- Entrust its decisions to Management of the Company for its required action in respect of the following:
  - To monitor the compliance with this Policy regularly.
  - To conduct induction programmes for continuing development through seminars, conferences and practical oriented training at all levels of the Company.
  - Carry out any other function as is mandated by the Board and / or enforced by any statutory notification, amendment or modification, as may be applicable, from time to time.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

### **REMUNERATION:**

The guiding principle of this Remuneration Policy is that the remuneration & terms of employment shall be competitive to attract and retain the Competent Managers. In this backdrop the Nomination & Remuneration Committee shall:

- When determining the remuneration policy for Whole-time Directors / KMPs, Nomination & Remuneration Committee to consider parity with the Industry norms and employment conditions elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- Ensure that the appointment of Managing Director / Whole-time Director and the remuneration payable is in accordance with the provisions of the Companies Act, 2013 or any statutory modification thereof and rules made thereunder.
- While designing the remuneration package, consider the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the competence required to run the Company successfully.

## **SREE SATYANARAYANA SPINNING MILLS LTD**

- Ensure a direct relationship with the key result areas and individual achievements considering short as well as long term performance objectives appropriate to the working of the Company and its growth and goals.
- Consider that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders

The Remuneration Policy is guided by a common reward framework and set of principles and objectives as envisaged under section 178 of the Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules, 2014, inter-alia principles pertaining to determining qualifications, positive attributes and independence of the Directors, integrity, etc.

Policy also envisages the Nomination and Remuneration Committee to authorise Managing Director to consider the appointment and terms and conditions of Senior Level Employees on contract basis taking into account the need and requirement. Such proposals shall be placed before the Committee for its consideration.

Nomination and Remuneration Committee also authorizes the Managing Director to consider all matters relating to Human Resource from time to time which is deemed expedient and beneficial from the point of view of its operations of the Company.

Nomination & Remuneration Committee or the Board shall have the right to make necessary modifications in this Policy as may be deemed fit from the Company's point of view or as required by any statute from time to time.

This policy shall be applicable to Directors, Whole-time Directors, Key Managerial Personnel and Senior Management Employees one level below the Board.

This Nomination & Remuneration Policy formulated at the Nomination & Remuneration Committee meeting held on **15<sup>th</sup> November, 2018** be recommended to the Board for its approval.

Recommended

Sd/  
(S.PARVATHARAO)  
Chairman of the N&R Committee Meeting

Approved

Sd/  
(P.NARENDRANATH CHOWDARY)  
Chairman of the Board of Directors