

## **SATHAVAHANA ISPAT LIMITED, HYDERABAD INDIA**

### **Policy on selection, appointment and remuneration of Directors**

Selection and appointment of Directors triggers whenever there is a casual vacancy in the Board or when the Board is of the opinion that it be strengthened to bring in diversity and expertise to the Board or to comply with any regulatory directions or with terms and conditions of the agreements.

Nomination and Remuneration Committee is entrusted with the task of identifying suitable persons by personal contacts or data bases. The selection criteria generally are based on personal virtues, qualifications, skills, talent and ability to analyze and judge the issues, dynamism and leadership, experience and expertise in Technical, Finance, commercial, human resources management etc. After selection of the suitable persons, the Nomination and Remuneration Committee considers the appointment on the Board and then recommends to the Board. The appointment of director generally is done at the General Meetings unless situation warrants immediate appointment.

Nomination and Remuneration Committee ensures that the appointees meet the criteria of independence as provided in Section 149 of the Companies Act 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations And disclosure Requirements) Regulations 2015. The tenure of appointment of Independent Directors is five years and the Office held by Independent Directors is not liable for retirement of Directors by rotation. In the appointment of Whole Time Directors the Committee also ensures that the appointees meet the criteria as provided in the Companies Act 2013 Regulation 17 of SEBI (Listing Obligations And disclosure Requirements) Regulations 2015 and the tenure of appointment is generally three to five years. The office held by Whole Time Directors with the exception of office held by Managing Director, is liable for retirement of Directors by rotation.

Remuneration Policy and payment of remuneration to all the Directors:

a) Remuneration Policy to Directors:

The Remuneration Policy of the Company envisages payment of suitable remuneration so as to attract, recruit and retain the talented and suitable people based on the Company's business requirements. The Company do not provide any Stock Options to the Executive Directors.

i) Remuneration Policy to Whole Time Directors:

The remuneration to Whole Time Directors comprises both fixed and variable pay. The fixed pay consists of basic salary with such perquisites and allowances as is allowed in terms of their respective appointments. The variable pay comprises a performance linked commission on profits in accordance with the terms of appointment. In the event of inadequacy of profits or loss reported by the Company in a financial year, the remuneration payable to Whole Time Directors shall be restricted to the limits as set out in the terms and conditions of their respective appointments and in accordance with provisions contained in the Companies Act 2013. The terms and conditions of each of Whole Time Directors are set out in the resolutions recommended by the Nomination and Remuneration Committee, the Board and approved by the Shareholders at the General Meetings. The Office of the Managing Director held by Shri A. Naresh Kumar is covered under Key Man Insurance. The Whole Time Directors are not entitled to any sitting fee towards the Board and Committee meetings they attend.

ii) Remuneration Policy to Independent Directors:

Remuneration to Independent Directors comprises sitting fee for attending Board and Committee meetings which they attend which is fixed uniformly for all the Independent Directors. The sitting fee payable to Independent Directors is fixed periodically by the Board. The sitting fee is payable only for the meetings the Independent Directors attend to. Travelling and conveyance expenses are reimbursed for attending to the meetings and company's business travel. There is no performance linked variable pay to the Independent Directors.

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