



Certified ISO 9001 :2000(E)



# The National Silk & Rayon Mills Ltd.

Processor of Blended, Embroidered and Textile Fabrics



## **TERMS OF REFERENCE HR & REMUNERATION COMMITTEE**

### **PURPOSE**

The Human Resource (HR) Committee shall be responsible for assisting the Board in discharging its responsibilities for HR management and to ensure formulation, effective management, monitoring and implementation of Human Resource policies and plans.

### **MEMBERSHIP AND QUORUM**

The committee shall comprise of a minimum of three members comprising a majority of non-executive directors at least one member shall be an independent director. An independent director shall be the chairman of the committee. The Chief Executive officer may be included as member of the committee. The names of the members of the Human Resource committee shall be disclosed in each Annual Report.

### **FREQUENCY OF MEETING**

- The committee shall meet at least once in a financial year and may meet more often if requested by a member of the board, or committee itself or the chief executive officer. The head of human resource or any other person appointed by the board of directors may act as the secretary of the committee.
- The chief executive officer (if not a member of the committee), head of human resource (if not the secretary to committee) or any other advisor or person may attend the meeting only by invitation.
- A member of committee shall not participate in the proceedings of the committee when an agenda item relating to his performance or review or renewal of the terms and conditions of his service comes up for consideration.

### **ROLES AND RESPONSIBILITIES**

HR Committee will be responsible for:

- recommendation to the Board for consideration and approval of policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive officer level
- undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of his / its appointment
- recommending human resource management policies to the board
- recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit
- consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the company.



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## Recruitment

Review the effectiveness of the recruitment and recommend changes if any

## Compensation and Benefits Management

- Provide oversight and guidance in the development of transparent compensation linked with performance to ensure that it is market oriented, fair, equitable which serves as a motivational tool for the employees.
- Guide management in development/revision of all employees benefits, policies and rewards.

## Human Resource Development

Oversee employees' development by monitoring HR aspects of organizational learning and development.

## Performance Management and Promotions

Ensure that the performance management system is achieving its objectives of fairly rewarding employees' performance and is in line with, Company objectives.