

NOMINATION AND REMUNERATION POLICY

Policy for Selection of Directors and determining Directors independence and remuneration policy for Directors, Key Managerial Personnel and other Employees

Introduction

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other Employees has been formulated by the Committee pursuant to Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and approved by the Board of Directors.

Objective

Rita Holdings Limited believes that the Board should be able to effectively develop a long term vision for the Company, provide guidance in effectively implementing its policies and managing operations efficiently and ensuring the compliance of all prevailing laws. Further, the Board constitution should ensure that its members have diversified expertise and experience so that the Board is able to discharge its duties and responsibilities effectively.

Effective Date

The Nomination & Remuneration Policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 1st September, 2015.

Policy for selection of Directors

In evaluating the suitability of individual Board members, the Nomination & Remuneration Committee (NRC) may take into account factors, such as:

- ❖ Educational and professional background
- ❖ General understanding of the Company's business dynamics
- ❖ Standing in the profession
- ❖ Personal and professional ethics, integrity and values
- ❖ Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

Criteria of Independence

The Nomination & Remuneration Committee (NRC) shall assess the independence of Directors at the time of appointment / re-appointment. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

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Independent Director shall also fulfill the criteria prescribed under Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Companies Act, 2013.

Remuneration Policy

Introduction

Rita Holdings Limited has developed its remuneration policy for Directors, Key Managerial Personnel and other employees on the following principles:-

- a) The remuneration should be at levels where it should be possible to attract, retain and motivate all personnel.
- b) The remuneration consists of both fixed and variable pay which is linked to the business objectives of the Company.
- c) Ensuring that the relationship between remuneration and performance is clear and measurable to the extent possible.

Remuneration to Non-Executive Directors

The remuneration to Non-Executive Directors will be paid only in the form of sitting fees. The Nomination and Remuneration Committee recommends the sitting fees to be paid for both the Board and Committee thereof after considering the provisions of the Companies Act, 2013 and prevailing corporate practices. Thereafter the Board approves the same.

Remuneration to Executive Directors and Key Managerial Personnel

The Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the Executive Directors and Key Managerial Personnel. The Board and NRC considers the provisions of the Companies Act 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration to the Executive Directors and Key Managerial Personnel.

Remuneration to other employees

Employees are assigned grades according to their qualifications, experience, competencies, role and responsibility in the organization. Individual remuneration is determined within the grade and based on various factors such as job, profile, skill set, seniority, experience and prevailing remuneration levels for equivalent jobs.

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Membership

The Committee shall consist of a minimum Three (3) non-executive directors, majority of them being independent. Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairperson

Chairman of the Committee shall be an Independent Director. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee.

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. Chairman/person of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency Of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

Committee Members' Interests

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

Voting

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

Nomination Duties

The duties of the Committee in relation to nomination matters include:

- ❖ Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- ❖ Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- ❖ Identifying and recommending Directors who are to be put forward for retirement by rotation.

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- ❖ Determining the appropriate size, diversity and composition of the Board;
- ❖ Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- ❖ Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- ❖ Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- ❖ Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- ❖ Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- ❖ Recommend any necessary changes to the Board; and
- ❖ Considering any other matters, as may be requested by the Board.

Remuneration Duties

The duties of the Committee in relation to remuneration matters include:

- ❖ to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- ❖ to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- ❖ to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- ❖ to consider any other matters as may be requested by the Board.
- ❖ Professional indemnity and liability insurance for Directors and senior management

Minutes Of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.
