



## “NOMINATION AND REMUNERATION POLICY” OF RITCO LOGISTICS LIMITED

### LEGAL FRAMEWORK

In an endeavor to make the hiring of directors, KMP & other senior official more transparent, the Companies Act, 2013 (‘Act’) requires the **Ritco Logistics Limited** (*hereinafter referred to as “the Company”*) to have the Nomination & Remuneration policy for inter-alia, setting up the criteria of nomination of directors, Key Managerial Personnel & senior management and remuneration of directors, Key Managerial Personnel, senior management and other employees. The constitution of Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013.

### DEFINITIONS

For the purpose of this Policy:

- ‘**Act**’ shall mean the Companies Act, 2013;
- ‘**Board**’ shall mean the Board of Directors of the Company;
- ‘**Committee**’ shall mean the Nomination and Remuneration committee of the Company, constituted and re constituted by the Board from time to time;
- ‘**Company**’ shall mean Ritco Logistics Limited;
- ‘**Directors**’ shall mean the directors of the Company;
- ‘**Independent Director**’ shall mean a director referred to in Section 149 (6) of the Companies Act, 2013;
- ‘**Key Managerial Personnel (KMP)**’ shall mean the following:
  - (i) Executive Chairman and / or Managing Director (MD) and/or Manager
  - (ii) Whole-time Director (WTD);
  - (iii) Chief Financial Officer (CFO);
  - (iv) Company Secretary (CS);
  - (v) Such other officer as may be prescribed.
- ‘**Senior Management**’ shall mean personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

### OBJECTIVE & PURPOSE

**The objective and purpose of this Policy are as follows:**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of Directors, Key Managerial personnel and Other employees.
- To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies in the auto industry.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company’s operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### SCOPE OF THE POLICY

The policy shall be applicable to the following in the Company:

- Directors
- Key Managerial Personnel (KMP)
- Senior Management

- Other employees of the Company

## CONSTITUTION

- The Board shall determine the membership of the Committee.
- The Committee will comprise at least three members of non- executive directors, a majority of whom shall be independent directors.
- The present composition of the Committee is:

S. No.	Name	Designation	Status
1	Mr. Vikram Suri	Chairperson	Independent Director
2	Mr. Ranu Jain	Member	Independent Director
3	Mrs. Roma Wadhwa	Member	Non-Executive Director

### 1. Appointment criteria and qualifications:

- 1.1 Letter of appointment to Directors, KMPs & Senior Management shall be issued based on the guidelines issued by the Committee or the Company Internal policy.
- 1.2 The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs & Senior Management.
- 1.3 A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.
- 1.4 The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining the 'fit and proper criteria' of the candidate. The candidate shall, at the time of appointment, as well as at the time of renewal of directorship, fill in such form as approved by the Committee to enable the Committee to determine the 'Fit and Proper Criteria'. The indicative form to be filled out is placed as **Annexure A** to this Policy.
- 1.5 The Company shall not appoint or continue the employment of any person as managing director or whole time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- 1.6 The Committee shall ensure that there is an appropriate induction & training programme in place for new directors, members of senior management and KMP;

### 2. Term / Tenure:

#### 2.1 Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Chairman & Managing Director, Executive Chairman, Managing Director or Executive Director for a term as provided under the Act.

No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

#### 2.2 Independent Director

An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re- appointment in the Company as Independent Director after the expiry of three years from the date of cessation as such in the Company. The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.

### **2.3 Key Management**

The tenure of office of employees under Key Management shall depend upon their appointment letter.

### **3. Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a director, KMP or employee belonging to Senior Management, subject to the provisions and compliance of the Act, rules and regulations.

### **4. Retirement**

The director, KMP and employee belonging to Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 along with the rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMPs & employee belonging to Senior Management even after attaining the retirement age, for the benefit of the Company.

### **5. Remuneration**

6.1 In discharging its responsibilities, the Committee shall have regard to the following Policy objectives:

- To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- To attract and retain competent executives;
- To plan short and long-term incentives to retain talent;
- To ensure that any severance benefits are justified.

6.2 The remuneration/ compensation/ commission etc. payable to the executive and non-executive director will be determined by the Committee keeping in view the provisions of the Companies Act 2013 and recommended to the Board for approval.

6.3 The remuneration to be paid to the MD and/or whole-time director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.

6.4 Increments to the existing remuneration/compensation structure of the Senior Management will be decided by the Chairman & Managing Director in consultation with the Head of HR Department.

6.5 Remuneration to Whole-time/ Managing Director, KMP, Senior Management;

#### **6.5.1 Fixed pay:**

The MD and/or whole-time director / KMP and senior management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and the



shareholders wherever applicable. The breakup of the pay scale and quantum of perquisites including, employer's contribution towards provident fund, pension scheme, medical expenses, club fees and other perquisites shall be decided and approved by the Board on the recommendation of the Committee.

#### **6.5.2 Minimum Remuneration:**

If in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its MD and/or Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if the Company is not able to comply with such provisions, previous approval of the Central Government shall be required to be obtained.

#### **6.6 Remuneration to Non- Executive / Independent Director:**

**6.6.1 Remuneration:** The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and with the provisions of Companies Act, 2013 along with the rules made there under.

**6.6.2 Sitting Fees:** The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the limits prescribed under Companies Act 2013.

### **MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be recorded as minutes 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.

### **DISCLOSURE OF THIS POLICY**

The policy shall be disclosed in the Annual report of the Company, as required under Companies Act, 2013, Rules made there under and the Listing Agreement, as amended from time to time and as may be required under any other law for the time being in force.

### **REVIEW**

The Committee as and when required shall assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current law and best practice.



**Annexure-A- Criteria for determination of the 'Fit and Proper Criteria'.**

Name of Company:

<b>Declaration and Undertaking</b>
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**I. Personal details of the Candidate/ Director:**

a.	Full name	
b.	Date of Birth	
c.	Educational Qualifications	
d.	Relevant Background and Experience	
e.	Permanent Address	
f.	Present Address	
g.	E-mail Address/ Telephone Number	
h.	Permanent Account Number under the Income Tax Act/Passport Number	
i.	Relevant knowledge and experience	
j.	Any other information relevant to Directorship of the Company.	

**II. Relevant Relationships of Candidate/ Director:**

a.	List of Relatives if any who are connected with the Company (w.r.t. the Companies Act, 2013)	
b.	Names of other Companies in which he/ she is or has been a member of the board or held position as KMP or in Senior Management during the last 3 years (giving details of period during which such office was held)	

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### III. Records of professional achievements

a.	Relevant Professional achievements	
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### IV. Proceedings, if any, against the Candidate/ Director

a.	If the person is a member of a professional association/ body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry of at any profession/ occupation at any time.	
b.	Whether the person attracts any of the disqualifications envisaged under Section 164 of the Companies Act 2013 or is convicted of any offence under any other law in India?	
c.	Whether the person in case of appointment as Executive Chairman, Managing Director, Whole-Time Director attracts any of the disqualification envisaged under Schedule V of Companies Act, 2013?	
d.	Whether the person at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA?	

### V. Any other explanation/ information in regard to items I to III and other information considered relevant for judging fit and proper.

#### Undertaking

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the Company fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

Place:  
Signature  
Date:

### VI. Remarks of Nomination Committee