



## RITHWIK FACILITY MANAGEMENT SERVICES LIMITED

(Formerly Known as : Rithwik Building Services Private Limited)

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### NOMINATION AND REMUNERATION POLICY

#### 1. Introduction

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto as amended from time to time and Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

#### 2. Definitions

- a. 'Board' means Board of Directors of the Company.
- b. 'Directors' means directors of the Company.
- c. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d. 'Company' means Rithwik Facility Management Services Limited.
- e. 'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- f. 'Key Managerial Personnel (KMP)' means-
  - i) the Managing Director or Chief Executive Officer or manager
  - ii) Whole-time Director
  - iii) the Company Secretary;
  - iv) the Chief Financial Officer; and
  - v) Any other person as defined under the Companies Act, 2013 from time to time
- g. "Senior Managerial Personnel" mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

*Amended Policy effective April 1, 2019*

h. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

i. "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **3. Constitution of the "Nomination & Remuneration Committee:**

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company's policies and applicable statutory requirements. The composition of the Company shall be in line with the requirements of the Act and Listing Regulations.

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

Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continue unless terminated by the Board of Directors.

### **4. Key objectives of the Committee:**

- a) To guide the Board in relation to the appointment and changes in Directors and Key Managerial Personnel;
- b) To formulate criteria for determining qualifications, positive attributes and independence of directors;
- c) To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- d) To 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.
- e) To recommend to the Board remuneration payable to the Directors and Key Managerial Personnel and Senior Management Personnel;
- f) Devising policy on diversity of Board of Directors

- g) To develop a succession plan for the Board and to regularly review the plan;
- h) To decide 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.
- i) Consider any other matters as may be prescribed under the Act or Listing Regulations or as may be requested by the Board from time to time.

#### **5. Frequency of meetings:**

The meeting of the Committee shall be held at regular intervals as may be deemed fit and appropriate with at least one meeting in a year.

The quorum for the Committee Meeting shall be either two members or one-third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend the Annual General Meeting of the Company.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee

The Nomination & Remuneration Committee shall establish a mechanism to carry out its functions, any /all of its powers to any of the Executive / Whole-time Directors and/or Senior Manager of the Company, as deemed necessary for proper and expeditious execution.

#### **6. Committee members interest:**

A member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

#### **7. Effective Date:**

This policy shall be effective 11.10.2017.

#### **8. Appointment and removal of Director, Key Managerial Personnel and Senior Management**

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

*Amended Policy effective April 1, 2019*

c) The Company shall not appoint or continue the employment of any person as 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.

#### **9. Term/Tenure**

a) **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) **Independent Director:** An Independent Director shall hold office for a term up to five consecutive 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 of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015.

#### **10. Removal**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

#### **11. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company

*Amended Policy effective April 1, 2019*

## **12. Policy for Remuneration to Directors/ KMP/ Senior Management Personnel**

### **a) Remuneration to Managing Director / Whole-time Directors**

i) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

ii) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **b) Remuneration to Non-Executive / Independent Directors**

i) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

ii) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

iii) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

iv) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (ii) above if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as the professional;
- And In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

### **c) Remuneration to Key Managerial Personnel and Senior Management**

i) The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

*Amended Policy effective April 1, 2019*

ii) The Fixed pay shall include monthly remuneration and may include employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

iii) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

### 13. Implementation

a) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

b) The Committee may Delegate any of its powers to one or more of its members.

For and on behalf of the Board of Directors  
Rithwik Facility Management Services Limited

Place: Chennai  
Date : 18.03.2019



*Rthk*  
RithwikRajshekar Raman  
Managing Director  
DIN: 07836658

*NiranjanVyakarna Rao*  
NiranjanVyakarna Rao  
Whole Time Director  
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