

COMPANY'S POLICY ON REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. PURPOSE

At Ravi Kumar Distilleries Limited (hereinafter referred to as "RKDL"), Management is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics and employee relations.

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. The Company also understands the importance of attracting and maintaining high quality individuals from directors right through to support staff.

This remuneration policy is being positioned on the basis of overall assessment of the size of the company, future prospect, organization structure and complexity of its activities. The purpose is to have a remuneration policy that is consistent with and promotes sound and effective risk management, and which is aligned with the Company's strategy, values and goals and the interests of stake holders and investors.

The Nomination and Remuneration Committee has developed this policy keeping in view the following aspects.

- (a) The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors and employees of the quality required to run the company successfully.
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- (c) Maintain appropriate balance between fixed and incentive pay in remuneration to directors, key managerial personnel and senior management reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- (d) Align the growth of the Company and development of employees and accelerate the performance.
- (e) To motivate and retain the quality employees and attract other highly qualified executives to enter into RKDL's service, whenever required.
- (f) To give a rational and fair treatment to employees, and to recognize importance of everyone with team spirit and enhancing the value of human wealth.

- (g) To create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company.
- (h) Encourage people to perform to their highest level.
- (i) Allow the Company to compete in each relevant employment market.
- (j) Provide consistency in remuneration throughout the Company.
- (k) Align the performance of the business with the performance of key individuals and teams within the Company.

2. DEFINITIONS

- (a) **“Board”** means Board of Directors of the Company for the time in force.
- (b) **“Company”** or **“RKDL”** means “Ravi Kumar Distilleries Limited”,
- (c) **“Committee”** or **“NRC”** means “Nomination and Remuneration Committee” of the Board of the Company, as may be reconstituted by the Board and as may be subsist from time to time.
- (d) **“Director”** means person appointed as Director on the Board of the Company pursuant to the applicable provision of the Companies Act 2013 and includes independent Directors of the Company.
- (e) **“Executive Director”** means person appointed as Whole-time director, Executive Director, Managing Director, Deputy Managing Director and Joint Managing Director and holding office as such pursuant to the applicable provision of the Companies Act 2013.
- (f) **“Employees”** Employees means and includes person who is confirmed for full time employment of the Company time to time.
- (g) **“Key Managerial Personnel”** or **“KMP”** means person as defined in the Companies Act, 2013 and as appointed and in employment of the Company as a Chief Executive Officer or Managing Director or Manager, Whole Time Director, Chief Financial Officer and Company Secretary.
- (h) **“Remuneration Policy”** or **“this Policy”** means this Policy for remuneration of Directors, KMP and employees of the Company as set out hereby, recommended by the Committee and approved by Board of RKDL, as amended from time to time.
- (i) **“Senior Management”** means personnel in employment of the Company who are members of core management team excluding Board of Directors and normally this shall comprise all members of management one level below chief executive officer / managing director / whole time director /

manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer..

Unless the context require otherwise, words importing the singular include the plural and *vice versa* and pronouns importing a gender include each of the masculine, feminine and neuter genders and shall be interpreted in the wide sense in spirit of this Policy.

3. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the Nomination and Remuneration Committee of the Board presently comprising of 3 directors all of which are Independent Director. The NRC are playing statutory and consultative role in building appropriate remuneration structure in the Company keeping in view recognition and appreciation of experience, expertise, advise, efforts and contribution provided by the Directors, KMP, Senior Management and dedication of Employees.

While deciding the remuneration structure, the Committee would also considers that composition of remuneration needs to be reasonable and sufficient to attract, retain and motivate Directors and senior management of the quality required to run the Company successfully.

In its consultative role and guiding force, the Committee will provide its recommendations to the Board in respect to matter and tasks as may be assigned by the Board time to time. The Committee may recommend to the Board as how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company and advice changes if any required to this Policy.

4. MONITORING AND IMPLEMENTATION OF THIS POLICY

The Committee implements and monitors this Policy. The Committee may take assistance of HR Head, HR team and Senior Management as may be necessary in respect to implement and review of this Policy. The Committee may seek attendance of Department Heads and obtain relevant data, details and analysis as the Committee may think necessary. The Committee may also consult the experts' advice wherever they deem necessary in discharge of their duty.

5. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Company follows the following structure in respect to remuneration of Non-Executive Directors (NEDs) and are paid remuneration by way of Sitting Fees within the overall statutory limits prescribed in the Companies Act,2013 and rules prescribed in that regards.

6.1 Sitting fees

The Non-Executive Directors are paid Sitting Fees. The Company pays sitting fees of Rs. 25,000/- per meeting to the NEDs for attending the meetings of the Board and for attending meeting of the Audit Committee and Nomination & Remuneration Committee.

6.2 Reimbursement of expenses

The Company also bear/ reimburse travelling and other expenses to out station Directors for attending meetings and expenses in relation to attending matters or business of the Company.

6. REMUNERATION OF EXECUTIVE DIRECTORS

The Company pays remuneration by way of salary, perquisites and allowances to Executive Directors of the Company. The remuneration to executive directors is as approved by shareholders of the Company. The Board proposes to shareholders the remuneration and other terms for appointment of the Executive Directors, considering qualifications, experience, technical skills, requirement of the Company and prevailing market conditions. While determining the remuneration proposal, the Board also considers the recommendation of the Nomination and Remuneration Committee.

7.1 Fixed Component

The Executive Directors are paid remuneration by way of monthly salary/ fixed component, as per preapproved terms.

7.2 Facilities

The Company shall provide such facilities as may be necessary in relation to perform his office duties and to attend operation and business of the Company.

Remuneration paid to the Directors is mentioned in the Annual Report of the Company.

7.3 Remuneration in case of no profit or inadequate profit

In case, there will be no profit or inadequate profit in any financial year, remuneration to Executive Directors will be as per the appointment terms and determined by the Board, subject to applicable provision of the Companies Act 2013 / applicable law.

7. STOCK OPTIONS TO EMPLOYEES / DIRECTORS

As and when desirable or requested by the Board, the Committee will perform function in respect to devising/ monitoring Employees Stock Schemes and give its recommendation about allotment of sweat equity shares, grant, vest and exercise of stock options and/or similar rewards to the eligible Directors

and Employees, as may be permitted under the applicable Law or approved Schemes.

8. PECUNIARY RELATIONSHIPS OR TRANSACTIONS

The Independent Directors of the Company do not have any pecuniary relationships or transactions with the Company or its Holding Company, Subsidiary Companies, Associate Companies or their promoters or directors except receiving Directors' Remuneration in a manner prescribed in Section 197 of the Companies Act, 2013 or having transaction not exceeding ten percent .of his/ her total income or such amount as may be prescribed under the Companies Act, 2013 from time to time.

9. REMUNERATION OF SENIOR MANAGEMENT

The Nomination and Remuneration Committee will review the remuneration of the Senior Management and recommend the same for approval of the Board.

As per prevailing process and practice of the Company, the Committee may recommend about increase, restructure and/or other suggestion in respect to remuneration of senior management as it thinks appropriate considering the Performance of Senior Management.

10. REMUNERATION OF EMPLOYEES

The Company believes that composition of remuneration of the Employees should be reasonable and sufficient to attract, retain and motivate Employees. The Committee shall review and approve remuneration payable to other Employees (excluding Senior Management) annually.

11. CLARIFICATION AND REVIEW OF THE POLICY

The Committee may, in consultation with the Board, if necessary, review or give necessary clarification and procedural alteration for effective and smooth implementation of the Policy.

The Committee may or Person nominated by him, shall review the Policy as and when it deems necessary.

12. AMENDMENTS IN THEPOLICY

This Policy may be amended or substituted by the Committee as the circumstances warrant. Modification/amendment shall be issued only by the KMP in consultation with the Committee.