

## **NOMINATION AND REMUNERATION COMMITTEE (NRC) POLICY OF** **AARTI DISTILLERIES PRIVATE LIMITED**

Aarti Distilleries Private Limited (the “Company” or “ADPL”) has always considered its human resource as its prime driving force. It is the endeavor of ADPL that its Nomination & Remuneration policy should represent the mode in which the company carries out its business practices i.e. fair, transparent, inclusive and flexible.

The company strives that its Remuneration Policy should attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal teamwork, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages. This Nomination and remuneration policy applies to Directors, Key Managerial Personnel (KMP), senior Management and other employees of the Company.

### **CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE (NRC):**

The Nomination and remuneration Committee (NRC), duly constituted by the Board of directors at their meeting, has a well-defined composition, quorum, powers, role, review and terms of reference in accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto.

### **COMPOSITION:**

The board of directors of the Company, has constituted the Nomination and remuneration Committee comprising of the following members at their meeting held on February 8<sup>th</sup>, 2023:

- a) Mr. Tilak Raj Sharma (Non- Executive Director)
- b) Mr. Raj Kamal Ganeriwala (Independent Director)
- c) Mr. Keshav Chaturvedi (Independent Director)

### **ROLE OF THE COMMITTEE:**

- a) Formulate the criteria for determining qualification, positive attribute and independence of a director.
- b) Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and senior management personnel or other employees.
- c) Formulation of criteria for evaluation of independent directors and Board.
- d) Recommendation to the Board, appointment and removal of directors, Key managerial and Senior Management personnel.
- e) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

## **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 and at senior management level and recommend his/her appointment, as per company's policy and as per the provision of Companies act, 2013.
- 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.

**Explanation-** The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

## **REMUNERATION OF DIRECTORS, KEY MANAGERIAL AND SENIOR MANAGEMENT PERSONNEL**

### **Remuneration to managing Director/Whole time Director:**

The Remuneration/ commission etc. to be payable to Managing Director/ Whole Time Directors shall be governed as per the provisions of Companies Act, 2013 and rules made there under or any other enactment for the time bring in force and the approvals obtained from the members of the company.

The Nomination and remuneration committee shall make such recommendation to the Board of directors, as it may consider appropriate with regards to remuneration to Managing Director/ Whole Time Director.

### **Remuneration payable to Non- Executive directors:**

The Non - Executive Directors will be payable with the sitting fees, if any, subject to the approval of Board of Directors, up to the limit as specified under the Companies act, 2013 and also in Compliance with the other applicable laws and provision.

### **Remuneration to Key Managerial Personnel and senior management Personnel:**

The remuneration to Key Managerial Personnel and Senior Management shall 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.

### **Remuneration to Middle and Lower Level Employees:**

Remuneration of middle and lower level employees of the company is reviewed on an annual basis. A formal annual performance evaluation process is applicable to all employees, including Key executives. Increase in the remuneration of employees is effected based on an annual review taking into account performance of the employee and the performance of the Company also.

**Alignment of Remunerations:**

The Committee strives to ensure that the remunerations of the Directors, Senior Executives, Middle and Lower level employees of the Company are reasonably aligned and the difference between the highest and lowest paid employees in the company are kept at reasonable multiples. Such reasonable multiples would be determined from time to time based on industry trends and developments around the world on fair compensation practices.

**WORKING PROCEDURE OF NOMINATION AND REMUNERATION COMMITTEE:**

In accordance with section 178 of the Companies Act, 2013 and applicable rules thereto, applicable Secretarial standards, the following working procedure is adopted by the Nomination and remuneration Committee:

**Constitution of the Committee:**

- a) The Nomination and remuneration Committee shall consist of minimum three Non- Executive Directors as members.
- b) Not less than half of the members of Nomination and Remuneration Committee shall be independent directors.

**Quorum:**

- a) Two members or one third of the members of the Nomination and Remuneration Committee, whichever is greater, with at least one independent director present either personally or through electronic mode.
- b) Electronic mode shall be counted for quorum except on such restricted items as prescribed under Companies act, 2013.
- c) Quorum shall be present throughout the meeting

**Chairman:**

The members of the Committee shall elect a chairperson amongst themselves.

**Frequency of the meeting:**

The Committee shall meet based on the requirement of consideration of issues as per the scope of the Committee in compliance with the provisions of the Companies act 2013.

**Company secretary of the Committee**

The Company secretary of the Company shall act as a secretary of the Committee.

**REVIEW AND PLACING OF POLICY ON WEBSITE OF COMPANY:**

The Board of Directors on its own and/or as per recommendations of Nomination and Remuneration Committee can amend this policy, as when deemed fit.

The document of the Nomination and remuneration committee Policy will be placed on the website of the Company and any amendments made to the policy from time to time.