



RADICO KHAITAN LIMITED

Composition of Committees of Board of Directors

1. Audit Committee:

Composition:

The Audit Committee comprises of three (3) Independent, Non-executive Directors as members. The members of the Audit Committee are Mr. Sarvesh Srivastava, Chairperson of the Committee, Dr. Raghupati Singhania and Mr. Tushar Jain. All Members of the Audit Committee are financially literate and bring in expertise in the fields of finance, taxation, economics, industry, and risk.

The scope of activities and terms of reference of the Audit Committee is in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement and Section 177 of the Companies Act, 2013.

Terms of reference:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

21. Reviewing the the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances /investments existing as on the date of coming into force of this provision.]
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. To review management discussion and analysis of financial condition and results of operations;
24. To review management letters / letters of internal control weaknesses issued by the statutory auditors;
25. To review internal audit reports relating to internal control weaknesses; and
26. To review the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
27. To review the statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
28. Any other matter referred to by the Board of Directors.

2. Nomination and Remuneration Committee:

Composition:

The Nomination and Remuneration Committee comprises of three (3) Independent Directors as members, viz., Dr. Raghupati Singhania (Chairman of the Committee), Mr. Tushar Jain, and Mr. Sharad Jaipuria. The Committee's terms of reference include reviewing and recommending to the Board the salary, commission, other benefits, service agreements and employment conditions of the Whole-time and the Managing Directors and to approve the selection, appointment and remuneration of relatives of Directors for holding an office or place of profit pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has framed the Remuneration and Nomination Committee Charter which ensures effective compliance of Section 178 of the Companies Act, 2013 Regulation 19 and part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has clearly defined terms of reference for the Remuneration and Nomination committee, which are as follows:

Terms of reference:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
3. To formulate the criteria for evaluation of performance of independent directors and the board of directors;
4. To devise a policy on diversity of board of directors;
5. To identify 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.
6. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. To recommend to the board, all remuneration, in whatever form, payable to senior management.

3. Stakeholder's Relationship Committee:**Composition:**

The Board of Directors of the Company has constituted the Stakeholder's Relationship Committee which is chaired by a Non-Executive Director / Independent Director to specifically look into the redressal of shareholders queries and complaints.

The Stakeholder's Relationship Committee comprises of three (3) members, viz., Mr. Sharad Jaipuria (Chairman of the Committee), Mr. Sarvesh Srivastava and Mr. K.P. Singh.

Terms of reference:

1. To resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. To review measures taken for effective exercise of voting rights by shareholders.
3. To review adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. To review the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

4. Sustainability and Corporate Social Responsibility (CSR) Committee:

Composition:

The Sustainability and Corporate Social Responsibility comprises of total 4 members which (3) Executive Directors and (1) Independent women director viz., Dr. Lalit Khaitan (Chairman of the Committee), Mr. Abhishek Khaitan, Mr. K.P. Singh and Ms. Sushmita Singha.

The purpose of the Committee is to formulate and monitor the CSR Policy of the Company and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The Committee monitors and gives guidance on various CSR activities to be undertaken by the Company.

Terms of reference:

i. Sustainability:

- To take all steps and decide all matters relating to triple bottom line indicators viz. Economic, Environmental and Social factors.
- To take all necessary steps related to Environmental, Social and Governance ('ESG') Reporting, if any.

ii. CSR:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company.
- To recommend the Annual Action Plan including amount of expenditure to be incurred on the activities referred to in the CSR Policy and review the same.
- To monitor the CSR Policy including CSR projects/ programmes.

iii. Business Responsibility Policies:

- To review and implement Business Responsibility Policies; and

iv. Any other role as may be decided by the Board from time to time.

5. Risk Management Committee:

Composition:

The Risk Management Committee comprises of four (4) Directors, viz., Dr. Lalit Khaitan (Chairman of the Committee), Mr. Abhishek Khaitan, Mr. Sharad Jaipuria and Mr. Dilip K. Banthiya.

The Board had constituted Risk Management Committee to focus on risk management including determination of Company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc.

Terms of reference:

1. To formulate a detailed risk management policy which shall include:
 - a) To framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. To appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. The Risk Management Committee shall coordinate its activities with other committees, where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

6. ESOP Compensation Committee:

Composition:

The ESOP Compensation Committee comprises of four members, viz., Dr. Lalit Khaitan (Chairman of the Committee), Mr. Abhishek Khaitan, Mr. Sharad Jaipuria and Mr. Dilip K. Banthiya.

Terms of Reference:

The Board has constituted the ESOP Compensation Committee for formulating the Scheme to be granted, determination of the eligibility criteria for granting the Scheme, Quantum of options to be granted, terms & conditions for the vesting of the options and the procedures for exercising of the options.