



Nomination & Remuneration Policy

1. Preface

The Company understands the importance of attracting and retaining highly talented individuals at all levels of the organization. The Company and its management endeavor to recruit and retain employees who achieve operational excellence and create value for shareholders. The Company believes that a transparent, fair and reasonable process is vital for determining the appropriate remuneration at all levels of the Organization and is committed to ensure that all the stakeholders remain informed and confident in the management of the Company. The Board has constituted the Nomination and Remuneration Committee (the "Committee") to assist the Board in discharging its responsibilities relating to compensation of the Company's directors and other senior level employees.

2. Objectives

Nomination and Remuneration Policy herein is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations"). The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Independent, Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To recommend to the Board, the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To determine criteria for remuneration of the Directors and Key Managerial Personnel based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation by the Board.
- To provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations and growth.
- To lay down policies to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.



3. Definitions

'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

'Board' means Board of Directors of the Company.

'Committee' means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.

'Company or the Company' means The Phoenix Mills Limited.

'Director(s)' mean Director(s) of the Company.

'Independent Director' means an Independent Director of the Company appointed pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ['SEBI (LODR) Regulations, 2015'].

"Key Managerial Personnel" means a key-managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- (ii) Company Secretary;
- (iii) Chief Financial Officer and
- (iv) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board

'Senior Management' shall mean officers/personnel of Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the ["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 otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. Policy



This Policy is divided in two sections Part A and Part B. Part A covers the appointment and nomination related policies. Part – B covers remuneration related policies.

4.1. Part A - Appointment and Nomination

4.1.1 *Criteria for Board Membership*

The Committee shall take into account following points for appointment of a person as Director, KMP or at Senior Management level and recommend to the Board his / her appointment accordingly.

- Shall possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- Shall possess the highest personal and professional ethics, integrity, values and moral reputation and be eligible to hold the office under the provisions of the Companies Act, 2013 and Rules made thereunder and the SEBI (LODR) Regulations, 2015 and the applicable policies of the Company.

4.1.2 *Additional Criteria for Independent Directors*

In addition to the criteria mentioned above, a person proposed to be appointed as an Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and SEBI (LODR) Regulations, 2015.

4.1.3 *Term / Tenure*

The Term / Tenure of the Directors shall be in accordance with the provisions of the Companies Act, 2013 and rules made there under and SEBI (LODR) Regulations, 2015 as applicable and as amended from time to time.

4.1.4 *Removal*

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or the applicable policies of the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.



4.1.5 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 shall have the discretion to retain a Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

4.2 Part B – Remuneration for Directors, KMP and Senior Management

The Committee shall recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

4.2.1 *Managing Director/Whole-time Director/Executive Director*

Besides the above criteria, the remuneration/ compensation/ commission etc. to be paid to Managing Director/Whole-time Director/Executive Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

Increments to the existing remuneration/ compensation structure in the case of Executive Directors may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders and in accordance with the provisions of Schedule V of the Companies Act, 2013.

4.2.2 *Non-executive including Independent Directors*

The Nomination and Remuneration Committee shall recommend and decide the basis for determining the compensation, both fixed and variable, to the Non-Executive Directors including Independent Directors whether as commission or otherwise and recommend the same to the Board. The Committee shall take into consideration various factors such as director's participation in Board and Committee meetings



during the year, other responsibilities undertaken, such as membership or chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Companies Act 2013 and such other factors as the committee may consider deem fit for determining the compensation. The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof and commission based on the performance of the Company in each financial year and as approved by the Board and shareholders. Provided that the amount of such fees and commission shall be subject to ceiling/limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. An Independent Director shall not be entitled to any stock options of the Company.

4.2.3 KMPs/ Senior Management Personnel etc.

The remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. Increment in the remuneration to KMPs and Senior Management shall be approved by the Managing Director or shall be as per the Company's Policy.

4.2.4. Other Employees

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Managing Director, in consultation with the Head- HR.

5. Disclosure

The Criteria for remuneration of Directors shall be disclosed in the Annual Report. The Policy shall be made available on the Company's website and the Policy and evaluation criteria shall be published in the Annual Report.

6. Review

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.
