Private and Confidential

The Phoenix Mills Limited (PML)

Employee and Vendor Advance Policy

Table of Content

1. Introduction

Business activities at times require to perform certain payments prior to its normal schedule in form of advance payments. It is essential that the advances extended to employees and business partners associated with The Phoenix Mills Limited ("PML" or "the Company or "our" or ''we") are used legitimately and judiciously and in compliance with applicable Anti Bribery and Corruption laws of the Country.

2. Purpose and Objective

The purpose of this document is to have adequate procedures and authorization while offering advances to the individual or business partners associated with PML.

It aims to ensure that the advance offered is used for performing business related activities within the parameters of applicable Anti-Bribery and Corruption regulations and is recorded adequately in the books of records of the Company.

The Company has zero tolerance approach on Bribery and Corruption. PML does not allow its employees and business partners to make any irregular payments to its business partners including Government entities/ officials on behalf of the Company.

3. Applicability

This policy is applicable to:

1. All Employees[1] including temporary or off roll employees of PML,
2. All Directors[2] of the PML; and
3. All business partners (Vendors, Third Party Intermediaries and Customers) including any other persons/individuals or entity, who may be acting on behalf of or having business relationship with PML.

4. Policy Statement

PML provides its employees and third parties with facility to avail advance for legitimate business operations. The Company doesn't allow any cash transactions (payments) for making advance payments to employees and business partners. However, small petty cash payments can be given as advance only to employees not exceeding INR 5,000. Employees are required to submit expense supporting's at the time of settlement of this advance.

The receiver of the advance should have business justification for requesting for advance from the Company. The expense incurred should have adequate documentation to support

[1] Employee is an individual who works for the Company either on full time or part time basis or acts as a consultant or an advisor or Subject Matter Expert for the Company and is bounded by the 'contract of employment' , terms of which are either expressed or implied. They include (i) on-roll workers, trainees, articles, apprentices, seconded etc. whether remunerated or not remunerated for the services offered to the Company, (ii) Team of high level executives or executive management i.e. Chief Experience Officers ('CXO's') and key process owners or AGMs and above level of the Company responsible for strategy, management, planning and administration of the Company and (iii) Any individual having decision making, planning and administration authority/ control in a Company.

[2] An individual having decision making, planning and administration authority/ control in a Company.

the advance. All such transactions should be adequately recorded in the books and records of the Company.

5. Guiding Principles

- An employee or business partner of PML can request an advance from the Company in situations which require immediate or payments with no credit days available. Refer **Appendix 1** and **Appendix 2** for employee/vendor advance requisition form.
- All such advances shall be provided only through cheque/demand draft/ online transfers and the Company does not allow making of any cash payments to its employees and business partners.
- Petty cash payments not exceeding INR 5,000 can only be made to employees where circumstances preclude regular payment and reimbursement processes and only when it is not possible to pay in any way other than cash for meeting day to day administrative expense (stationary, grocery items for office, etc.). It can only be utilized after prior approval of the Compliance Officer[3]/ GM Legal / Centre Director/ Chief Financial Officer or Head of Finance be provided to employees for meeting day to day office administrative expense (stationary, office consumables etc.). Employees are required to settle petty cash advance through submission of expense supporting documents.
- The advance provided should be reasonable and should have:
    - Business justification and the reason for obtaining the advance
    - Any payments to the government bodies/ public officials or entities related to Government or Public officials or to relatives of Government/ Public officials
    - Prior approval of the business head and Head of Finance/CFO is required
    - Advance to be settled within 5 working days of incurring expenses and returning back from the business travel.
    - Supporting documents (i.e. invoice/ expense receipt) to be submitted while settling the advance.
- Advances payments should not be used for making any corrupt or irregular payment to any employee, business partner or any government/public official
- Un-used advance should be returned to the Company within 2 working days
- No advance payments should be made with the intent to influence the possible outcome of any transaction which is corrupt and not for legitimate business intent.

Payments

- The Company can only make or receive payments whether in the conduct of doing business with domestic and international business partners (including Government and Public officials) of the Company through the following payment mode only:
    i. NEFT/ RTGS/IMPS

[3] The Compliance Officer is responsible for overseeing, designing, managing and monitoring the Compliance framework of the Company and ensure the Company complies with all applicable regulatory requirements and internal policies of the Company.

ii. Demand Draft

iii. Cheque

- Every payment out of the Company's account must be evidenced by an original invoice and never against a vendors/third party statement or final demand. That original invoice will be retained by the Company and filed in the records.
- All the invoices should be approved by the Head of the Department and subsequently verified by accounts team with Purchase Orders and agreements signed with the vendors/third parties.

6. Record keeping

All transactions should be adequately recorded in the books and records of the Company with proper classification of the account heads. False, misleading, or artificial entries should never be made in the books and records of the Company for any reason. The record keeping should include the following:

- The books of accounts and records of the Company should be maintained in accordance with the Indian GAAP and as per Country's financial reporting requirements.
- No undisclosed or unrecorded funds or assets of the Company should be established for any purpose.
- All transactions, irrespective of the expenditure amount, separate account head should be maintained and should not be recorded under miscellaneous or other expenses.
- The transactions should be supported with approvals and details of the expense incurred. Proof of receipt of goods/services like stamping or entry in goods received register should be available, and if possible it should be physically verifiable.
- Proof of payments (original paid invoice/receipt) made should be available. Photocopies or faxes of invoices/receipts are not acceptable.

The Company does not allow any irregular or improper payments to its employees or business partners in any form. In case of question on any retrospective payments/expense in violation to PML's ABC policy should be reported to the Compliance Officer/ GM Legal / Centre Director/ Chief Financial Officer.

7. Compliance and Transparency

Any kind of noncompliance with the terms of this policy is not acceptable as this may cause several financial as well as non-financial damages like reputation loss to the Company. Any individual or entity to whom this policy is applicable and will be subject to strict disciplinary action which might cause:

- Penalty or fine
- Suspension from job/contract for a definite period
- Termination from job or contract
- Legal proceedings

- Imprisonment

These are equally applicable for the person or entity who hide, avoid or does not knowingly report such instances

8. Appendices

Appendix 1: Employee Advance Requisition

Employee Request Form	**Date of Request**	
Department of Request		
Name of the Requestor		
Designation		
Employee ID		
Amount in INR		
Purpose		
Approver		
I hereby declare that the advance requested would be used only for the purpose as mentioned above. This amount would not be used for making any direct/indirect payments to Government Bodies/Public Sector Undertakings/ Third Parties Intermediaries. The advance will be in accordance with Anti-Bribery & Corruption policy and Anti-Bribery & Corruption programme of PML		

Appendix 2: Vendor Advance Requisition

Vendor Request Form		**Date of Request**	
Requestor Company			
Name of the Requestor			
Designation			
Employee ID			
Amount in INR			
Purpose			
I hereby declare that the advance requested would be used only for the purpose as mentioned above. This amount would not be used for making any direct/indirect payments to Government Bodies/Public Sector Undertakings/ Third Parties Intermediaries. The advance will be in accordance with Anti-Bribery and Corruption policy and programme of PML and as per contractual terms with the Company.			
Signature of Requestor			
Approvals			
Department Head			
	Name and Designation	Signature	Date
Remarks *(if any)*			
Finance Head	Name and Designation	Signature	Date
Remarks *(if any)*			