

Regal Entertainment & Consultants Limited

NOMINATION AND REMUNERATION POLICY

REGAL ENTERTAINMENT & CONSULTANTS LIMITED

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1. Preamble:

- 1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “Executives”). 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.
- 1.2 The policy would be reviewed once in three years by the Nomination and Remuneration Committee of the Board of Directors.

2. Aims & Objectives

The aims and objectives of this remuneration policy may be summarized as follows:

- 2.1. to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level.
- 2.2 to enable the company to provide a well balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- 2.3 to ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- 2.4 to ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Definitions

- 3.1 “Act” means Companies Act, 2013 and rules framed thereunder as amended from time to time.
- 3.2 “Board of Directors” or “Board”, in relation to the company, means the collective body of the Directors of the Company.
- 3.3 “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

- 3.4 “Company” means “Regal Entertainment & Consultants Limited”.
- 3.5 “Managerial Personnel” means Managerial Personnel or Persons, applicable under section 196 and other applicable provisions of the Companies Act, 2013.
- 3.6 “Policy” or “This policy” means Nomination and Remuneration Policy.
- 3.7 “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- 3.8 “Independent Director” means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- 3.9 “Key Managerial Personnel” (KMP) means
- a. The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director;
 - b. The Company Secretary and
 - c. The Chief Financial Officer
- 3.10 “Senior Management” mean personnel of the company who are members of its core management team excluding Board of Directors. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time, shall have the meaning respectively assigned to them therein.

4. Applicability

This policy is applicable to all Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company.

5. Nomination and Remuneration Committee

- 5.1 Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors. The Company Secretary of the Company shall act as Secretary of the Committee.
- 5.2 The Committee shall be responsible for :
- 5.2.1 Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
 - 5.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.

- 5.2.3 Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.
- 5.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized.
- 5.3 The Committee shall:
 - 5.3.1 review the ongoing appropriateness and relevance of the remuneration policy;
 - 5.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
 - 5.3.3 obtain reliable, up-to-date information about remuneration in other companies;
 - 5.3.4 ensure that no director or Executive is involved in any decisions as to their own remuneration.
- 5.4 Without prejudice to the generality of the terms of reference to the Nomination and Remuneration Committee set out above, the Committee shall:
 - 5.4.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
 - 5.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors and Director should possess the highest personal and professional ethics, integrity and
 - 5.4.3 review the terms of executive Directors' service contracts from time to time.
- 5.5 Frequency of the Meeting

The meeting of the Committee shall be held at such regular intervals as may be required.
- 5.6 Voting
 - 5.6.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

5.6.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

5.7 Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

6. Principles of remuneration

- 6.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- 6.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 6.3 Internal equity: The Company shall remunerate the Board members and the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 6.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.
- 6.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 6.6 Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 6.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

7. Procedure for selection and appointment of the Board Members

- 7.1 Board membership criteria: The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations. In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal

achievements. In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust. The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

- 7.2 Selection of Board Members/ extending invitation to a potential director to join the Board

8. Procedure for selection and appointment of Executives other than Board Members

- 8.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 8.2 The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, if any, and on the human resources market;
- 8.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 8.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;
- 8.5 Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- 8.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors. One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member. The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

9. Retirement

Any Director other than the Independent Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

10. Removal

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 of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

11. Compensation Structure

11.1 Remuneration to Non-Executive/Independent Directors:

The Non-Executive/Independent Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-Executive/Independent Directors for attending meetings of Board of Directors and Committees of Board of Directors will be as per industrial norms and mutually agreed from time to time. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-Executive/Independent Directors of the Company are not paid any other remuneration or commission. The sitting fees of the Non-Executive/Independent Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

11.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

12. Role of Independent Directors

- 12.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval.
- 12.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors and Employees and have a prime role in appointing and where necessary recommend removal of executive directors and Employees.
- 12.3 The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

11. Approval and publication

- 11.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 11.2 This policy shall be hosted on the Company's website.
- 10.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

12. Supplementary provisions

- 12.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 12.2 Amendment to the Policy:

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

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.
- 12.3 The right to interpret this Policy vests in the Board of Directors of the Company.
