



**MORE RETAIL LIMITED**  
**(FORMERLY KNOWN AS ADITYA BIRLA RETAIL LIMITED)**

**EXECUTIVE REMUNERATION PHILOSOPHY**

At the More Retail Limited, we expect our executive team to foster a **culture of growth and entrepreneurial risk-taking**. Our Executive Compensation Philosophy supports the design of programs that **align executive rewards** – including incentive programs, retirement benefit programs, promotion and advancement opportunities – **with the long-term success of our stakeholders**. Our reward programs recognize and reward executives who display initiative, deliver superior individual performance, and contribute to sustainable corporate and business success.

## ***Our business and organizational model***

### ***I. Objectives of the Executive Remuneration Program***

Our executive compensation program is designed to **attract, retain, and reward** talented executives who will contribute to our **long-term success** and thereby **build value for our shareholders**.

Our executive compensation program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a **holistic** basis
2. Emphasize “**Pay for Performance**” by aligning incentives with business strategies to reward executives who achieve or exceed business and individual goals.

### ***II. Covered Executives***

Our Executive Compensation Philosophy applies to those executives whose remuneration is subject to the approval of the Nomination & Remuneration Committee. The covered executives are as follows:

1. Director : Defined as per the Act
2. Key Managerial Personnel : CFO, CS, any others CEO equivalent ( eg: Deputy Managing Director)
3. Senior Management: **Job Band 1 and above and all other employees as defined by the Act, Section (178)**

### ***III. Business and Talent Competitors***

We benchmark our executive pay practices and levels against **peer companies in similar** industries, geographies and of similar size.

### ***IV. Executive Pay Positioning***

We aim to provide **competitive remuneration opportunities** to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long term incentive pay-outs at target performance) and target total cash

compensation (including annual incentive pay-outs) at target performance **directionally between median and top quartile** of the primary talent market. We recognize the **size and scope** of the role and the **market standing, skills and experience** while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector

**v. i. Executive Pay-mix**

Our executive pay-mix aims to strike the **appropriate balance** between key components: **(i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits**

**ii. Performance Goal Setting**

We aim to ensure that for both annual incentive plans and long term incentive plans, the target performance goals shall be **achievable and realistic**.

**Threshold performance** (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated **90% probability of achievement**.

**Target performance** is the **expected level of performance** at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

**Maximum performance** (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated **10% probability of achievement**.

**VI. i. Performance Measurement**

**Annual Incentive Plan:**

We tie annual incentive plan pay-outs of our executives to **relevant financial and operational metrics achievement and their individual performance**. We **annually align** the financial and operational metrics with priorities/ focus areas for the business.

**Long-Term Incentive:**

Our Long-term incentive plans incentivize **stretch performance**, link executive remuneration to **sustained long term growth** and act as an **attraction and retention tool**

We use stock options as the primary long-term incentive vehicle for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units, as a secondary long term incentive vehicle, to motivate and retain our executives.

## ***ii. Executive Benefits and Perquisites***

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for **other benefits plans commensurate with their roles**. These benefits are designed to encourage long-term careers with the Company. They are also eligible for certain perquisites with **each perquisite serving a clear business purpose or need**.

## ***Other Remuneration Elements***

Each of our executives is subject to an **employment agreement**. Each such agreement generally provides for a total remuneration package for our executives.

We **limit other remuneration elements**, for e.g. Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale and we **do not provide for any tax gross-ups** for our executives.

## ***Risk and Compliance***

We aim to ensure that the Company's remuneration programs **do not encourage excessive risk taking**. We review our remuneration programs for factors such as

1. Remuneration mix overly weighted towards annual incentives
2. Uncapped pay-outs
3. Unreasonable goals or thresholds
4. Steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds

## **Claw back Clause:**

In an incident of restatement of financial statements due to fraud or non-compliance with any requirement of the Companies Act 2013 and the rules made thereafter, we shall recover from our executives the remuneration received in excess of what would be payable to him / her as per restatement of financial statements the executives is obligated to pertaining to the relevant performance year.

## ***Implementation***

The Human Resource and Finance team of the Company will assist the Nomination & Remuneration Committee in **adopting, interpreting and implementing** the Executive Remuneration Philosophy. The costs of these services will be established through "arm's length", market-based agreements entered into as needs arise in the normal course of business.