



Future Lifestyle Fashions Limited

Regd Office: Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the members of Future Lifestyle Fashions Limited will be held on Monday, the 16 December 2013 at 11.00 a.m. at Rangswar, Y.B.Chavan Center, 4th Floor, Gen. Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400021 to transact the following business:

Special Business:

1. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as the **“Act”**), the Memorandum and Articles of Association of the Company and in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any amendment(s), modification(s) or reenactment thereof for the time being in force, (hereinafter referred to as the **“SEBI ESOS Guidelines”**), and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall be deemed to include any Committee, including the Nomination and Compensation Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), to create, grant, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company including such eligible employees of the Company transferred from Future Retail Limited, Future Value Retail Limited and Future Ventures India Limited (**“Transferor Companies”**) pursuant to the Composite Scheme of Arrangement and Amalgamation as sanctioned by the Hon'ble High Court of Judicature at Bombay on 10 May 2013 and who were granted options under the respective Employee Stock Options Schemes in the Transferor Companies (hereinafter referred to as **“the Eligible Employees”**) and further including any Directors (whether whole time or otherwise) of the Company excluding an employee/director who is a promoter or belongs to the promoter group as defined in SEBI ESOS Guidelines and excluding Independent Directors, 15,00,000 (Fifteen Lakh) options convertible into 15,00,000 (Fifteen Lakh) equity shares, of Rs.2/- each from time to time, on the date(s) of the grant of option(s) under ESOS - 2013 or any other stock option scheme(s) of the Company formulated hereafter (the **“Scheme(s)”**), in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authority and that each option would be exercisable for one equity share of a face value of Rs. 2/- each fully paid-up (**“Equity Share”**) on payment of the requisite exercise price to the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity Shares to the Eligible Employees including any Directors (whether whole time or otherwise), excluding an employee/director who is a promoter or belongs to the promoter group as defined in SEBI ESOS Guidelines and excluding Independent Directors of the Company upon exercise of options, from time to time in accordance with the Scheme(s) and such Equity Shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional options are required to be granted by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 15,00,000 (Fifteen Lakh) options convertible as above into 15,00,000 (Fifteen Lakh) Equity Shares shall be deemed to be increased to the extent of grant of such additional options.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of Equity Shares to be allotted and the price of acquisition payable by the option grantees under the Scheme(s) shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Equity Shares on the Stock Exchanges, where the existing equity shares of the Company are listed as per the provisions of the listing agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the maximum number of stock options that can be granted under the Schemes, to any Eligible Employee who is in permanent employment of the Company including any Directors (whether whole time or otherwise) of the Company excluding an employee/director who is a promoter or belongs to the promoter group as defined in SEBI ESOS Guidelines and excluding Independent Directors, in any financial year shall not in aggregate exceed 0.5% of the Paid-up equity share capital and which shall be within the overall limit of 15,00,000 (Fifteen Lakh) options convertible into 15,00,000 (Fifteen Lakh) Equity Shares to all employees taken together.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the said Scheme(s) as it may deem fit, from time to time in its sole and absolute discretion in conformity with the applicable provisions of the Companies Act, 1956, or any amendment or reenactment thereof (including already notified provisions of the Companies Act, 2013 and further provisions as may be notified from time to time), Memorandum and Articles of Association of the Company, SEBI ESOS Guidelines and any other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto.”

2. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as the **“Act”**), the Memorandum and Articles of Association of the Company and in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any amendment(s), modification(s) or reenactment thereof for the time being in force, (hereinafter referred to as the **“SEBI ESOS Guidelines”**), and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall be deemed to include any Committee, including the Nomination and Compensation Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), to create, grant, offer, issue and allot at any time to or to

the benefit of such person(s) who are in permanent employment of the present and future subsidiaries of the Company ("Subsidiaries") (hereinafter referred to as "the Eligible Employees") and further including any Directors (whether whole time or otherwise) of the Subsidiaries, excluding an employee/director who is a promoter or belongs to the promoter group as defined in SEBI ESOS Guidelines and excluding Independent Directors, within the overall ceiling of 15,00,000 (Fifteen Lakh) options convertible into 15,00,000 (Fifteen Lakh) equity shares as mentioned in the Resolution No.1 above, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority and that each option would be exercisable for one equity share of a face value of Rs.2/- each fully paid-up ("Equity Share") on payment of the requisite exercise price to the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity Shares to the Eligible Employees including any Director(s) of the Subsidiaries, (whether whole time or otherwise) excluding an employee/director who is a promoter or belongs to the promoter group as defined in SEBI ESOS Guidelines and excluding Independent Directors, upon exercise of options from time to time in accordance with the Scheme(s) and such Equity Shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional options are required to be granted by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 15,00,000 (Fifteen Lakh) options convertible as above into 15,00,000 (Fifteen Lakh) Equity Shares shall be deemed to be increased to the extent of grant of such additional options.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of Equity Shares to be allotted and the price of acquisition payable by the option grantees under the Scheme(s) shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Equity Shares on the Stock Exchanges, where the existing equity shares of the Company are listed as per the provisions of the listing agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the maximum number of stock options that can be granted under the Schemes, to any Eligible Employee who is in permanent employment of the Subsidiaries including any Directors (whether whole time or otherwise) of the Subsidiaries excluding an employee/director who is a promoter or belongs to the promoter group as defined in SEBI ESOS Guidelines and excluding Independent Directors, in any financial year shall not in aggregate exceed 0.5% of the Paid-up equity share capital and which shall be within the overall limit of 15,00,000 (Fifteen Lakh) options convertible into 15,00,000 (Fifteen Lakh) Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the said Scheme(s) as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, or any amendment or reenactment thereof (including already notified provisions of the Companies Act, 2013 and further provisions as may be notified from time to time), Memorandum and Articles of Association of the Company, SEBI ESOS Guidelines and any other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto."

3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force) (the "Act") read with Schedule XIII to the said Act, and subject to the approval of the Central Government and such other authorities as may be necessary, the approval of the Members be and is hereby given to the appointment of and payment of remuneration to Mr. Kishore Biyani as Managing Director of the Company for a period of 3 (Three) years with effect from 25 June, 2013 on a remuneration of Rs.2,23,20,000/- per annum (including commission upto 5% of Net profit of the Company, subject to maximum of Rs.1,25,00,000/- per annum).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified in Schedule XIII & the relevant provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Managing Director, the Company does not earn any profits or earns inadequate profit as contemplated under the provisions of Schedule XIII to the Companies Act, 1956, the Company may pay to the Managing Director, the above remuneration as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any."

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force) (the "Act") read with Schedule XIII to the said Act, and subject to the approval of Central Government and such other authorities as may be necessary, approval of the Members be and is hereby given to the appointment of and payment of remuneration to Mr. C P Toshniwal as Executive Director & Chief Financial Officer of the Company for a period of 3 (Three) years with effect from 1st November, 2013, on remuneration, including allowances and perquisites, in the scale of Rs.1,70,00,000/- to Rs.2,10,00,000/- per annum (including variable bonus based on the performance of the said Executive Director & Chief Financial Officer).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified in Schedule XIII & the relevant provisions of the Act.

RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Executive Director & Chief Financial Officer, the Company does not earn any profits or earns inadequate profit as contemplated under the provisions of Schedule XIII & other relevant provisions of the Act, the Company may pay to the Executive Director & Chief Financial Officer, the above remuneration as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any."

By Order of the Board of Directors
for Future Lifestyle Fashions Limited

Place : Mumbai
Date : 31 October, 2013

Kuldeep Sharma
Head-Legal & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Duly completed and stamped Proxy should be returned to the Registered Office of the Company, not less than FORTY-EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member organization.
2. Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at a general meeting is annexed hereto,
3. Only Registered Members of the Company may attend and vote at the Extra Ordinary General Meeting.
4. Voting on Resolution: Each member present shall have one vote in case of voting by show of hands. If any resolution at the meeting is put to vote on a poll each Equity shareholder shall be entitled to one vote for every Equity Share held.
5. Members are requested to send all communications relating to shares to our Registrar & Share Transfer Agent (R & T Agent) at the following address:

LINKINTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai 400078
Phone No. (022) 25963838 Fax No. (022) 25946969
email : rnt.helpdesk@linkintime.co.in
6. Members/ Proxies are requested to bring the attendance slips duly filled in to the Meeting.
7. Disclosure pursuant to Clause 49 of the Listing Agreement in regard to the directors seeking appointment at the ensuing Extra Ordinary General Meeting is given in the Annexure.

Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at a general meeting to be held on 16 December 2013,

Item No. 1 & 2

The Board of Directors of the Company in its meeting held on 14 August 2013 had, based on the approval and recommendation of the Nomination and Compensation Committee of the Directors of the Company approved FLFL Employees Stock Option Scheme-2013 ("ESOS-2013") in order to grant options to the eligible employees of Future Retail Limited, Future Value Retail Limited and Future Ventures India Limited who were transferred to the Company pursuant to the Composite Scheme of Arrangement and Amalgamation as approved by the Hon'ble High Court of Judicature at Bombay on 10 May 2013 and also in order to retain talent and compensate to such employees of the Company, who would be identified by the management and approved by the Nomination and Compensation Committee as eligible for such grants.

The salient features of the Scheme which has been approved by the Board on the recommendation of the Nomination and Compensation Committee are as under:

1. Total number of options to be granted:

Not exceeding 15,00,000 (Fifteen Lakh) options convertible into 15,00,000 (Fifteen Lakh) Equity Shares of the Company as may be decided by the Nomination and Compensation Committee from time to time would be available for being granted to eligible employees of the Company and its Subsidiaries including the Directors (whether whole time or otherwise) excluding an employee/director who is a promoter or belongs to the promoter group as defined in SEBI ESOS Guidelines and excluding Independent Directors, under the Scheme(s). Each option when exercised would be converted into one Equity Share of Rs. 2/- each fully paid-up.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorised to re-grant such lapsed / cancelled options as per the provisions of the Scheme(s).

SEBI ESOS Guidelines require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional Equity Shares are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 15,00,000 (Fifteen Lakh) options as stated above from time to time shall be deemed to be increased to the extent of such additional Equity Shares issued.

2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

All permanent employees of the Company, including any present and future subsidiary of the Company, including the Directors (whether whole time or otherwise) excluding an employee/director who is a promoter or belongs to the promoter group as defined in SEBI ESOS Guidelines and excluding Independent Directors, as may be decided by the Board from time to time, would be entitled to be granted stock options under the Scheme(s).

3. Transferability of employee stock options

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his/her legal heirs or nominees.

4. Requirements of vesting and period of vesting:

The options granted shall vest so long as the employee continues to be in the employment of the Company or the subsidiary as the case may be. The Board may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below) :

Options granted under Scheme(s) would vest not earlier than one year and not later than three years from the date of grant of options. However, in respect of grant of options to employees transferred pursuant to the Scheme, the options granted pursuant to the Scheme shall vest as per the original vesting period. In respect of other options granted, the exact proportion in which and the exact period over which the options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of options.

5. Exercise Price:

The Exercise Price in respect of options granted after the listing of Equity Shares should be as approved by the Board / Nomination and Compensation Committee but such price shall not be less than the face value of Equity Shares of the Company to be issued and allotted to the option grantees in terms of the provisions of the Scheme(s).

6. Exercise Period and the process of Exercise:

The Exercise Period would be a maximum of 3 years from the date of vesting of options. The shares arising out of exercise of vested options would not be subject to any lock-in period after such exercise.

The options will be exercisable by the employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Committee from time to time. The options will lapse if not exercised within the specified exercise period.

7. Appraisal Process for determining the eligibility of the employees to ESOS:

The appraisal process for determining the eligibility of the employee will be specified by the Nomination and Compensation Committee, and will be based on criteria such as role / designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Nomination and Compensation Committee at its sole discretion.

8. Maximum number of options to be issued per employee and in aggregate:

The number of options that may be granted to any specific employee under the Scheme(s) shall not exceed 0.50% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

9. Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI ESOS Guidelines and Institute of Chartered Accountants of India.

10. Method of option valuation

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted.

The difference between the employee compensation cost computed using the Intrinsic Value method and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The resolutions at Item No. 1 and 2 of the Notice provide for authorising the Company to create, grant, offer, issue and allot options exercisable into shares or securities convertible into equity shares pursuant to the FLFL Employees Stock Option Scheme-2013 or any other stock option scheme(s) of the Company formulated hereafter (**the "Scheme(s)"**) to Eligible Employees of the Company and that of its present and future subsidiaries, including any Directors (whether whole time or otherwise) of the Company and that of its present and future subsidiaries but excluding an employee/director who is a promoter or belongs to the promoter group as defined in SEBI ESOS Guidelines and excluding Independent Directors.

As the Scheme(s) would provide for issue of shares to be offered to persons other than existing Members of the Company, consent of the members is being sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Act and as per clause 6 of the SEBI ESOS Guidelines.

None of the Company's Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the resolutions, except to the extent of the options that may be offered to them under the Scheme(s). Copy of ESOS -2013 will be available for inspection at the Registered Office of the Company on any working day from 11.00 am till 1.00 pm from the date of this notice till the date of the general meeting.

Your Directors recommend the Resolution(s) at Item No. 1 and Item No. 2 as set out in this Notice for your approval.

Item No. 3

The Nomination and Compensation Committee, in its meeting held on 10 June, 2013 recommended and the Board of Directors, in its meeting held on 25 June 2013, approved the appointment of Mr. Kishore Biyani as Managing Director of the Company for a period of three years at a remuneration of Rs.2,23,20,000/- per annum subject to the approval of the shareholders in the General Meeting.

The payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Managing Director and performance of the Company.

Mr. Kishore Biyani is the Managing Director of the Promoter of our Company Future Retail Limited and founder of Future Group. He is considered as a pioneer of modern retail in India. He has led the Group's foray into organized retail with the opening of the Pantaloons

Stores, Big Bazaar, Food Bazaar, Central, Home Town and many other formats in fashion and accessories, and consumption of fast moving goods. His efforts also brought the evolution of the Group in the areas of Retail, Brands, Space, Capital, Logistics, insurance and Media. He has been regularly ranked among India's most admired CEOs; he is the author of the book 'It Happened in India'. He has won numerous awards from government bodies and the private sector in India and abroad and is on the board of a number of bodies, including the National Innovation Foundation in India and the New York Fashion Board.

The details of Mr. Kishore Biyani in pursuance of the provisions of the Listing Agreement are mentioned in Annexure.

Accordingly, the Board of Directors recommends the above resolution for your consideration and approval as a Special Resolution for appointment of Mr. Kishore Biyani as Managing Director of the Company and payment of remuneration to him.

Approval of the shareholders is sought for ratification of his appointment as Managing Director of the Company and payment of remuneration.

Mr. Kishore Biyani and his relatives may be deemed to be concerned or interested in the resolution to the extent of remuneration payable to Mr. Kishore Biyani under the resolution. None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Item No. 4

The Nomination and Compensation Committee, in its meeting held on 31 October 2013 recommended and the Board of Directors, in its meeting held on the same day, approved the appointment of Mr. C P Toshniwal as Executive Director & Chief Financial Officer of the Company for a period of 3 (three) years with effect from 1 November 2013, on remuneration in the scale of Rs.1,70,00,000/- to Rs. 2,10,00,000/- per annum, subject to the approval of the shareholders in General Meeting.

Mr. C P Toshniwal, aged 47 years, was Chief Financial Officer of Future Retail Limited. He is a qualified Chartered Accountant and Company Secretary. He possess nearly 25 years of experience in finance and taxation. He is a member of the CII National Committee on Accounting Standards. He has been awarded the Best CFO Award-2011 by the Institute of Chartered Accountants of India. He is also holding position as Chairman of Finance Committee of Retailer Association of India. He has represented Retail Industry on various topics of public interest in different forums. He has strong domain knowledge of Indian Retail Industry with good understanding of information technology systems and proven ability in setting up systems and procedures for robust management accounting. He is having rich experience in the field of Corporate and Strategic Planning, Financial Planning & Restructuring, Risk Management System and Process Implementation, Mergers & Amalgamations, Takeover of Business Enterprises, raising capital through innovative financial products, and a very good leader with strong relationship with stakeholders and employees. He has also been awarded "CFO100 Roll of Honour" by CFO India for his extraordinary performance as senior finance leader in Retail Industry.

With his rich experience in the fashion and retail business, he would be a valuable asset for the Company in his role as a Executive Director & Chief Financial Officer. Accordingly, the Board of Directors recommends the above resolution for your consideration and approval as a Special Resolution on key terms and conditions as under:

- a) Mr. C. P. Toshniwal shall be paid remuneration as may be fixed by the Board of Directors from time to time based on recommendation of Nomination and Compensation Committee, such that the salary and the aggregate value of all perquisites and allowances together with reimbursement of expenses or Performance Bonus, ESOPs, Gratuity and Superannuation benefits, medical reimbursement, leave travel concession for himself and his family, medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. C. P. Toshniwal, shall not exceed the overall ceiling on remuneration approved by the members in General Meeting pursuant to the limits set out in Section 198 and other applicable provisions of the Act, and subject to such other approvals as may be necessary and applicable.

Your Directors have recommended payment of Salary, Allowances and other benefits in the scale of Rs.1,70,00,000/- to Rs. 2,10,00,000/- per annum for a period of 3 years from the date of appointment.

- b) The tenure of appointment:

Three years with effect from 1st November, 2013.

- c) Nature of Duties:

The Executive Director & Chief Financial Officer is entrusted with substantial powers of management and shall, subject to the supervision of the Board of Directors, be responsible for the organization's consistent achievement of its mission and financial objectives, provide leadership in developing organizational and financial plans with the Board of Directors, carry out plans and policies authorized by the Board and carry out such other duties as may be entrusted to him by the Board of Directors and shall exercise such powers as are delegated to him by the Board of Directors.

- d) Other terms of Appointment:

- i. The appointment may be terminated with mutual consent of both parties or by either party by giving six months' notice of such termination or the Company paying six months' salary in lieu thereof.
- ii. Mr. C.P. Toshniwal shall not be entitled to any sitting fee for attending the meetings of the Board and/or Committee of Directors.

Mr. C. P. Toshniwal and his relatives may be deemed to be concerned or interested in the resolution to the extent of remuneration payable to Mr. C. P. Toshniwal under the resolution. None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

The above details may also be treated as an Abstract and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956 in respect of the appointment of and payment of remuneration to Mr. C. P. Toshniwal as Executive Director and Chief Financial Officer of the Company.

The details of Mr. C P Toshniwal in pursuance of the provisions of the Listing Agreement are mentioned in Annexure

Annexure to the Notice

Information provided pursuant to Clause 49 of the Listing Agreement with the Exchange(s) in respect of individuals proposed to be appointed/re-appointed as Director(s)

Name of Director	Mr. Kishore Biyani	Mr. Chandra Prakash Toshniwal
Date of Birth	09/08/1961	29/09/1966
Date of Appointment	25/06/2013	01/11/2013
Number of Shares held	333 (Equity Shares)	3,666 (Equity Shares)
Qualifications	B.Com., PGD in Marketing Management	Chartered Accountant and Company Secretary
Experience in special functional Area	Mr. Kishore Biyani is founder of Future Group. Mr. Kishore Biyani is considered as a pioneer of modern retail in India. He has led the Group's foray into organized retail with the opening of the Pantaloon Stores, Big Bazaar, Food Bazaar, Central, Home Town and many other formats in fashion and accessories, home fashion and improvement and consumption of fast moving goods. His efforts also brought the evolution of the Group in the areas of Retail, Brands, Space, Capital, Logistics, Insurance and Media etc. He has been regularly ranked among India's most admired CEOs. He is the author of the book 'It Happened in India'. He has won numerous awards from government bodies and the private sector in India and abroad including the Ernst & Young Entrepreneur of the Year Awards. In the year 2006 he was awarded 'The First Generation Entrepreneur of the Year' by CNBC Indian Business Leaders, the same year he was conferred the 'Young Business Leader' award by the IIM Lucknow National Leadership. He is on the board of a number of bodies, including the National Innovation Foundation in India and the New York Fashion Board.	Mr. Chandra Prakash Toshniwal started his journey in Pantaloon Retail (India) Limited (now known as Future Retail Limited) in May 1997 and has over 21 years of rich managerial experience. He has Strong domain knowledge of Indian Retail Industry with good understanding of Information Technology systems and proven ability in setting up systems and procedures for robust management accounting. He is having rich experience in the field of Corporate and Strategic Planning, Financial planning & restructuring, Risk management system and process implementation, mergers, amalgamations, take-over of business enterprises, raising capital through innovative financial products, and a very good leader with strong relationship with stakeholders and employees.
Directorship held in other Public Companies	<ol style="list-style-type: none"> 1. Future Retail Limited 2. Retailers Association Of India (Section 25 Company) 3. Future Corporate Resources Limited 4. Future Generali India Life Insurance Company Limited 5. Future Generali India Insurance Company Limited 6. Future Consumer Enterprise Limited 7. Future Media (India) Limited 8. INOX Leisure Limited 	<ol style="list-style-type: none"> 1. Future Axiom Telecom Limited 2. Future Agrovet Limited 3. Future Media (India) Limited 4. Future Supply Chain Solutions Limited 5. Future Brands Limited 6. Future Knowledge Services Limited 7. Future E-Commerce Infrastructure Limited 8. Future Value Retail Limited. 9. Future Consumer Products Limited 10. Apollo Design Apparel Parks Limited 11. Future Learning and Development Limited 12. Future Corporate Resources Limited 13. nuFuture Haribhakti Business Services Ltd 14. Future Human Development Limited

Name of Director	Chairman/Membership in Committees of other Companies		
	Name of the Company	Type of Committee	Membership Status
Mr. Kishore Biyani	Future Retail Limited	Corporate Governance Committee	Member
	Future Consumer Enterprise Limited	Shareholders/Investors' Grievance & Share Transfer Committee	Chairman
		Committee of Directors	Chairman
		Nomination & Remuneration/Compensation Committee	Member
	Future Generali India Insurance Company Limited	Remuneration Committee	Member
	Future Generali India life Insurance Company Limited	Remuneration Committee	Member
Future Media (India) Limited	Audit Committee	Member	
Mr. Chandra Prakash Toshniwal	Future Axiom Telecom Limited	Audit Committee & Remuneration committee	Member
	Future Agrovet Limited	Audit Committee & Remuneration Committee	Member
	Future Media (India) Limited	Audit Committee & Remuneration Committee	Member
	Future Supply Chain Solutions Limited	Audit Committee, Remuneration Committee and Investment Committee	Member
	Future E-Commerce Infrastructure Limited	Audit Committee & Remuneration & Compensation Committee	Member
	Future Brands Limited	Audit Committee & Remuneration Committee	Member
	Future Value Retail Limited.	Audit Committee & Committee of Directors	Chairman
		Remuneration & Nomination Committee	Member
	Future Corporate Resources Limited	Audit Committee & Remuneration Committee	Member
	Future Learning and Development Limited	Audit Committee	Chairman
Future Knowledge Services Limited	Audit Committee	Chairman	

FUTURE LIFESTYLE FASHIONS LIMITED

Regd. Off. : "Knowledge House", Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (E), Mumbai – 400060.

EXTRAORDINARY GENERAL MEETING –Monday, 16th December, 2013 at 11:00 AM

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Client ID No. :
DP ID No.:

Reg. Folio No.
No. of Equity Shares held

I certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company. I hereby record my presence at the Extraordinary General Meeting of the Company being held on Monday, 16th December, 2013 at 11:00 AM at Rangswar, 4th Floor, Y. B. Chavan Centre, Gen. Jagannathrao Bhonsle Marg, Mumbai - 400 021.

Name of the Member(s)/Proxy's in Block Letters

Member('s)/Proxy's Signature

Notes :

A member/proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance. If you intend to appoint a proxy, please complete the proxy form below and deposit it at the Company's Registered Office atleast 48 hours before the meeting.

FUTURE LIFESTYLE FASHIONS LIMITED

Regd. Off. : "Knowledge House", Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (E), Mumbai – 400060.

EXTRAORDINARY GENERAL MEETING –Monday, 16th December, 2013 at 11:00 AM

PROXY FORM

Client ID No. :
DP ID No.:

Reg. Folio No.
No. of Equity Shares held

I / We _____ of _____ in the District of _____ being Member(s) of Future Lifestyle Fashions Limited hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on Monday, 16th December, 2013 at 11:00 AM at Rangswar, 4th Floor, Y. B. Chavan Centre, Gen. Jagannathrao Bhonsle Marg, Mumbai - 400 021 and at any adjournment thereof.

Place :

Date :

Signature

Affix Revenue Stamp

This proxy form duly completed must be received at the Company's Registered Office atleast 48 hours before the meeting.