

FLOWMORE LIMITED

NOMINATION AND REMUNERATION
POLICY

1. INTRODUCTION:

This Nomination & Remuneration Policy is the endeavor of Flowmore Limited (“Company”) to represent the mode in which the Company carries out its business practices i.e. fair, transparent, inclusive and flexible.

The Company strives that its Remuneration Policy should attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and, teamwork, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits.

2. APPLICABILITY:

- 2.1 Directors (Executive and Non-Executive) ;
- 2.2 Key Managerial Personnel ;
- 2.3 Senior Management Personnel;
- 2.4 Other Employees.

3. DEFINITIONS:

The terms defined in this NRC Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modifications or re-enactments thereof.

3.1 “Act” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

3.2 “Board” means the Board of Directors of the Company.

3.3 “Board’s Report” shall mean the report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

3.4 “Company” means FLOWMORE LIMITED.

3.5 “NRC Committee” means the Committee of the Board constituted under section 178 of the Act for the purpose of administration of Nomination and Remuneration of Directors, Key managerial personnel, Senior Management and other employees of the Company and supervising the adherence of this NRC Policy and the matter incidental thereto.



3.6 “NRC Policy” means the Nomination and Remuneration Policy as set out herein and as amended or modified from time to time.

3.7 “Key Managerial Personnel” means:

- 3.7.1** Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- 3.7.2** Chief Financial Officer;
- 3.7.3** Company Secretary; and
- 3.7.4** Such other officer as may be prescribed.

3.8 “Other employees” mean all employees other than the Directors, KMPs and the Senior Management Personnel.

3.9 “Senior Management” means Senior Management means the 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.

4. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The objective of this policy is to lay down a framework in relation to the remuneration of Directors, KMP, Senior Management Personnel and other Employees. The Key Objectives of the Committee would be:

- 4.1 To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 4.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 4.3 Formulation of criteria for evaluation of Independent Director and the Board. To evaluate the performance of the members of the Board and provide a necessary report to the Board for further evaluation of the Board.
- 4.4 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.



- 4.5 To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 4.6 To retain, motivate and promote talent and to ensure longterm sustainability of talented managerial persons and create competitive advantage.
- 4.7 To develop a succession plan for the Board and to regularly review the plan.
- 4.8 To assist the Board in fulfilling responsibilities.
- 4.9 To Implement and monitor policies and processes regarding principles of corporate governance.

5. APPOINTMENT CRITERIA AND QUALIFICATIONS:

5.1 (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

(b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.

(c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for an extension of appointment beyond seventy years.

5.2 Term / Tenure:

(a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

(b) Independent Director:



An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

5.3 Evaluation:

The Committee shall carry out an evaluation of the performance of every Director, KMP and Senior Management Personnel at a regular interval (yearly).

5.4 Removal:

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations thereunder, 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.

5.5 Retirement:

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

6. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:

6.1. Remuneration to Managing/ Whole-Time / Executive/Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director/Managing 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.



6.2 Remuneration to Non-Executive/Independent Director:

The Non-Executive Independent Director may receive remuneration/compensation/commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

6.3 Remuneration to other Employees:

Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions. The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the HODs of various departments. The decision on Annual Increments shall be made on the basis of this appraisal.

7. NOMINATION DUTIES:

The duties of the Committee in relation to nomination matters include:

7.1 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;

7.2 Identifying and recommending Directors who are to be put forward for retirement by rotation;

7.3 Determining the appropriate size, diversity and composition of the Board;

7.4 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

7.5 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

7.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

7.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or



termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

7.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

7.9 Recommend any necessary changes to the Board.

7.10 Considering any other matters as may be requested by the Board.

8. REMUNERATION DUTIES:

The duties of the Committee in relation to remuneration matters include:

8.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;

8.2 To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;

8.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee;

8.4 To consider any other matters as may be requested by the Board;

9. DISCLOSURE OF THE POLICY:

The NRC policy recommended by the NRC Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

10. FREQUENCY OF MEETINGS:

The meetings of the Committee could be held at such periodic intervals as may be required.

11. QUORUM:

Minimum two (2) members shall constitute a quorum for the Committee meeting.



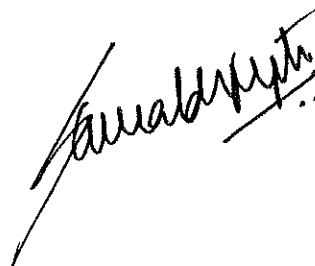
12. MINUTES OF THE COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

13. CONCLUSION:

NRC Policy is subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.

The Board may review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

A handwritten signature in black ink, appearing to read "S. Anand" with a flourish underneath.