

INNOVA CAPTAB LIMITED

POLICY TO PROMOTE DIVERSITY ON THE BOARD OF DIRECTORS

<i>Approving Authority</i>	<i>Board of Directors of the Company</i>
<i>Initial Version & Date</i>	<i>(Version 1) & 19th June 2022</i>
<i>Revised Version & date</i>	<i>(Version 2) & 29th March 2024</i>

1. INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Nomination and Remuneration Committee ("NRC") of the Board of Directors of a listed entity is required to devise a policy on diversity of board of directors.

The policy has been approved by the Board of Directors at their meeting held on 19th June, 2022. Further amendment in the policy recommended by Nomination and Remuneration Committee at its meeting 27th March 2024 and approved by Board of Directors at their meeting held on 29th March 2024.

2. PURPOSE OF THE POLICY

The purpose of this policy is to recognize and embrace the benefits of having a diverse Board which possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company.

The Policy ensures that:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run business of the Company successfully;
- b) Relationship of remuneration with regards to performance is clear and meets appropriate performance benchmark;
- c) Remuneration to Directors 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

For the purpose of this Board Diversity Policy the following terms shall have the meanings assigned to them hereunder:

"Companies Act" means the Companies Act, 2013, as amended from time to time and the rules made thereunder.

"Applicable Law(s)" include any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, notification and clarification issued by any governmental or statutory or regulatory authority or other governmental instruction and/or mandatory standards, as may be applicable to the Company, and as amended from time to time.

"Board" means the Board of Directors of the Company.

"Board Diversity Policy" means this policy, as amended from time to time.

"Committee" means the Nomination and Remuneration Committee of the Board.

"Company" means Innova Captab Limited.

"Director" means a member of the Board.

"Independent Director" means a director appointed as such in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations.

“**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.

“**SEBI Listing Regulations**” means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Words and expressions used and not defined in this Board Diversity Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act and rules and regulations made thereunder.

4. BOARD DIVERSITY

The Committee shall ensure that the Board shall have an optimum combination of executive, non-executive and independent directors in accordance with requirements of the Companies Act, SEBI Listing Regulations and other statutory, regulatory and contractual obligations of the Company.

The Company recognizes the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, race, and gender, which will ensure that the Company retains its competitive advantage. The Company further believes that a diverse Board will contribute towards driving business results, make corporate governance more effective, enhance quality and responsible decision-making capability, ensure sustainable development, and enhance the reputation of the Company.

The Committee shall review the profile of the prospective candidates for appointment as Director on the Board by taking in consideration knowledge, experience, financial literacy/ expertise, global market awareness and other relevant factors as may be considered appropriate, and the Board shall be so constituted with mix of members to maintain high level of ethical standards. The Committee shall also take into consideration the provisions of the Companies Act, SEBI Listing Regulations, and other statutory, regulatory, and contractual obligations of the Company.

In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria need to be assessed for:

(I) Optimum Composition

- (a) The Board shall have an optimum combination of executive and non-executive directors and not less than fifty per cent of the Board of directors comprising non-executive directors.
- (b) At least half of the Board should comprise of independent directors (where the chairman of the Board is executive) or at least one third of the Board consisting of independent directors (where the chairman of the Board is non- executive).

In any case, the Company should strive to ensure that the number of independent directors do not fall below 3 (three) so as to enable the board to function smoothly and effectively.

- (c) The Company shall have at least one-woman director on the Board to ensure that there is no gender inequality on the Board.

Further the Company shall take necessary steps to appoint at least one independent woman director on the Board of the Company as required under Regulation 17 of SEBI Listing Regulations based on the market capitalisation.

(II) Stakeholder Diversity

- (a) The Company may also have directors on its Board representing the interest of any financial institution or any other person in accordance with the provisions of its articles of association and/or any agreement between the Company and the nominating agency.
- (b) Subject to the provisions of Section 151 read with the relevant rules made thereunder of the Companies Act, the Company may, upon notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower have a small shareholders' director elected by small shareholders.

5. ROLE OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination Committee shall be responsible for:

- a) reviewing and assessing the Board composition on behalf of the Board and shall recommend to the Board, the appointment of new directors based on their qualifications, positive attributes and independence;
- b) formally assessing the appropriate mix of Diversity, skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
- c) making recommendations to the Board in relation to Board succession, including the succession of the Chairman, to maintain an appropriate mix of Diversity, skills, experience and expertise on the Board;
- d) evaluation of the balance of skills, knowledge and experience on the Board while making appointment of an independent director and based on such evaluation, prepare a description of the role and capabilities required of an independent director.
- e) reviewing and reporting to the Board in relation to Board Diversity; and
- f) make recommendations to the Board regarding the Measurable Objectives.

In reviewing the Board composition, NRC will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

6. MONITORING AND REPORTING

The NRC shall review the Policy periodically, which will include an assessment of the effectiveness of the Policy. The NRC will discuss any revision that may be required and recommend the same to the Board for approval.

7. AMENDMENTS

The Committee may modify and/or amend the Board Diversity Policy at any time subject to the provisions of the SEBI Listing Regulations and the Companies Act and any other applicable law.

8. DISCLOSURE OF THE POLICY:

The Company shall disclose this Policy on its website. The necessary disclosure, if any, about the policy will also be made as per the requirements of SEBI Listing Regulations and other applicable laws.