

INNOVA CAPTAB LIMITED

NOMINATION & REMUNERATION POLICY

<i>Approving Authority</i>	<i>Board of Directors of the Company</i>
<i>Initial Version & Date</i>	<i>(Version 1.0) & 19 June 2022</i>
<i>Revision Version & Date</i>	<i>(Version 2.0) & 19 May 2025</i>

PREAMBLE

Innova Captab Limited (the “**Company**”) has formulated this Nomination and Remuneration Policy (“**Policy**”) to provide a framework for remuneration of members of the Board of Directors (the “**Board**”) of the Company, key managerial personnel, and other employees of the Company.

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the “**Act**”) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 19 June 2022 and further amended on 19 May 2025. In case of any conflict between the applicable laws and this Policy, the provisions of the applicable laws shall prevail.

DEFINITIONS:

a) “**Act**” means The Companies Act, 2013 and rules made thereunder, as amended from time to time.

b) “**Applicable Law**” means the applicable law of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the other applicable provisions of SEBI and Companies Act, 2013.

c) “**Company**” means Innova Captab Limited.

d) “**Board**” means Board of Directors of Innova Captab Limited.

e) “**Independent Director**” means a Director referred to in Section 149 (6) of The Companies Act, 2013.

f) “**Committee**” means Nomination and Remuneration Committee of the Company as constituted by the Board from time to time.

g) “**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

h) “**Managerial Personnel**” means:

- (i) Managing Director, or Chief Executive Officer or Manager as defined under Section 2(53) of Companies Act, 2013, and in their absence, a Whole-Time Director;
- (ii) Chief Financial Officer;
- (iii) Company Secretary; and
- (iv) such other officers as may be prescribed.

i) “**Senior Management**” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with the Company’s policies and applicable statutory requirements.

The Committee shall consist of three or more non-executive directors out of which not less than two-third shall be Independent Directors. The Chairperson of the Committee shall be an Independent Director, provided that the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair such Committee. The Membership of the Committee shall be disclosed in the Annual Report.

APPOINTMENT AND REMOVAL OF DIRECTOR, MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Managerial Personnel or at Senior Management level and recommend his / her appointment, as per Company's Policy.

- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- The Company shall not appoint or continue the employment of any person as Executive Director or Managing 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.
- With effect from 01 April 2024, the continuation of a director serving on the Board of Directors of the Company shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be:

Provided that the continuation of the director serving on the board of directors of the Company as on 31 March 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after 31 March 2024:

Provided further that the requirement specified in this regulation shall not be applicable to the Whole-Time Director, Managing Director, Manager, Independent Director or a Director retiring as per the sub-section (6) of section 152 of the Companies Act, 2013, if the approval of the shareholders for the reappointment or continuation of the aforesaid directors or Manager is otherwise provided for by the provisions of these regulations or the Companies Act, 2013 and has been complied with.

TERM/ TENURE:

i. Managing Director/Executive Director:

The Company shall appoint or re-appoint any person as its 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 term.

ii. 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 up to 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.

Independent Directors shall register themselves in the databank of Independent Directors in accordance with the provisions of Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

Unless exempt, the Independent Directors shall pass the online proficiency self-assessment test as per the provisions of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019

EVALUATION:

The Committee shall carry out an evaluation of the performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL:

The Committee may recommend with reasons recorded in writing, the removal of a Director, Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of Applicable Law, and rules and regulations and the policy of the Company.

FUNCTIONS OF NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee shall:

- i. 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.
- ii. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- iii. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iv. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- v. Devise a policy on diversity of Board of Directors; and
- vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- vii. Analysing, monitoring and reviewing various human resource and compensation matters
- viii. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- ix. With effect from 01 January 2022, for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the commitments of the candidates.
- x. Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under any other applicable law.

REMUNERATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS:

Non-Executive and Independent Directors (“NEDs”) will be paid remuneration by way of sitting fees and such other remuneration as permissible under the provisions of any other Applicable Law. The remuneration / compensation to the NEDs will be as determined by the Nomination and Remuneration Committee (“NRC”) and approved by the Board of Directors.

The sitting fees payable to the NEDs for attending the Board and committee meetings will be fixed, subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.

Any remuneration paid to NEDs for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes as mentioned above if the following conditions are satisfied:

- i) The services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

NEDs will not be eligible to receive stock options under the existing employee stock option scheme(s) ("ESOP") of the Company.

NEDs are entitled to be paid all travelling and other expenses they incur for attending to the Company's affairs, including attending meetings of the Company.

The remuneration payable by the Company to NEDs shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

REMUNERATION OF EXECUTIVE DIRECTOR:

The compensation paid to the executive directors (including Managing Director and Whole Time Directors) will be within the limits approved by the shareholders. The elements of the total compensation, approved by the NRC will be within the overall limits specified under the Act.

The elements of compensation of the executive director will include the elements as described below:

The NRC will determine the annual variable pay compensation in the form of an annual incentive and annual increment for the executive director based on Company's and individual's performance as against the pre-agreed objectives for the year, to be decided annually or at such intervals as may be considered appropriate and as per the policy of the Company

The executive directors, except for a promoter director, will also be eligible for ESOPs as per the ESOP scheme in force from time to time. Grants under the ESOP scheme shall be approved by the NRC.

Apart from the basic/fixed salary, benefits, perquisites, and allowances as given above, the Company retains the authority to remunerate the Executive Directors, including the Managing Director, through commission. These commissions to be paid shall be contingent upon the Company's net profits for a specific financial year, as may be determined by the Board, subject to the overall ceilings stipulated under Section 197 of the Act. In case of inadequacy of profit in any financial year, the remuneration payable to the executive directors shall be further subject to the relevant provisions of the Act.

Executive directors will not be paid sitting fees for any Board / committee meetings attended by them.

The remuneration payable by the Company to the executive directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

REMUNERATION OF KEY MANAGERIAL PERSONNEL / OTHER EMPLOYEES:

The Company's total compensation for Key Managerial Personnel as defined under the Act/ other employees may consist of:

1. Fixed compensation
2. Variable compensation in the form of a performance bonus
3. Benefits
4. Work related facilities and perquisites.

In addition, selected senior executives may be eligible for long-term incentive plan in the form of ESOPs, as per the ESOP scheme in force from time to time. Grants under the ESOP scheme will be approved by the NRC.

Fixed compensation will be determined on the basis of the size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation will include basic salary, housing allowance, leave travel allowance and other allowances.

Based on the grade and seniority of employees, benefits for employees may include:

1. Housing
2. Travel/vacation costs for the executive & his/her family
3. Health insurance

4. Accident and life insurance
5. Retirement benefits
6. Contribution to statutory benefits such as provident fund account, gratuity, etc.

Employees will also be eligible for work-related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.

A formal annual performance management process will be applicable to all employees, including senior executives. Annual increases in fixed compensation of individual executives will be directly linked to the performance ratings of individual employees.

Overall compensation of employees shall be subject to periodic reviews which takes into account their performance, as well as factors such as affordability based on the Company's performance and the economic environment.

Employees may be eligible for ESOPs as per the ESOP scheme approved by the Shareholders and in force from time to time. The objective of ESOP is to reward the eligible employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

Employees may be eligible for severance payments in accordance with the termination clause in their Employment Agreement subject to the applicable regulatory requirements.

COMMITTEE MEMBERS INTEREST:

A member of the NRC is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

The NRC may invite such executives, as it considers appropriate, to be present at the meetings of the NRC.

ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION:

This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NRC.

This Policy may be reviewed at such intervals as the Board or NRC may deem necessary.

Such disclosures of this Policy as may be required under the Act and SEBI Listing Regulations may be made.

DISSEMINATION OF POLICY:

A copy of this Policy shall be handed over to all Directors within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the Annual Report of the Company.