

# **INNOVA CAPTAB LIMITED**

## **POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT**

|                            |   |
|----------------------------|---|
| <b>Approving Authority</b> | <b>Board of Directors of the Company</b>    |
| Version & Adopted Date     | (Version 1.0) & 19 <sup>th</sup> June 2022  |
| Version & Amendment Date   | (Version 2.0) & 29 <sup>th</sup> March 2024 |
| Version & Amendment Date   | (Version 3.0) & 05 <sup>th</sup> Feb 2025   |

## 1. BACKGROUND AND SIGNIFICANCE

The Securities and Exchange Board of India has mandated the need for a succession policy pursuant to Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”), in order to ensure that interests of investors of a listed company do not suffer on account of sudden or unplanned gaps in management of the company. Therefore, the Board of Directors (“Board”) of all listed companies are required to develop an action plan for successful transition of key executives in accordance with the Listing Regulations.

Pursuant to the Listing Regulations, Innova Captab Limited (the “Company”) is required to put in place a plan for orderly succession for the Board and senior management.

Succession planning is crucial to the survival and growth of any business and a tool for an organization to ensure its continued effective performance through leadership and management continuity. The Company appreciates the importance of succession planning to ensure continuity in its smooth functioning. Key positions in the Company, which are important for the Company’s current and future growth are assigned to qualified and competent professionals. It is imperative to fill up vacancies in such positions well in time to ensure continuity in leadership and management of the Company.

In view of the above, the Company has formulated the Policy on Succession Planning for the Board and Senior Management of the Company (“Policy”) in order to avoid any leadership gap in the Board and Senior Management

The Policy was approved by the Board of Directors on 19<sup>th</sup> June 2022 and amended on 29<sup>th</sup> March 2024.

## 2. DEFINITIONS

“**Board**” shall mean the Board of Directors of Innova Captab Limited, as constituted from time to time as per the relevant laws and rules and regulations.

“**Company**” shall mean Innova Captab Limited.

“**Key Managerial Personnel**” shall mean Key Managerial Personnel (“KMP”) as defined in sub-section (51) of Section 2 of the Companies Act, 2013.

“**Listing Agreement**” shall mean an agreement entered into between the Company and the recognized stock exchange(s) wherein the securities of the Company are listed pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

“**Listed Entity**” means any entity which has listed its securities on recognized stock exchange(s), in accordance with the listing agreement entered into with the stock exchange(s).

“**NRC**” means Nomination and Remuneration Committee of Board of Directors.

“**Policy**” means this Policy on Succession Planning for the Board and Senior Management including any amendments, if any made from time to time.

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

**“Senior Management Personnel” (SMP)** shall mean the officers and personnel of the Company 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 Company .”

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

### **3. OBJECTIVES**

The objectives of the Policy are, inter alia, as under:

1. To identify and nominate suitable candidates for the Board’s approval to fill vacancies which may arise in the Board from time to time.
2. To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
3. To identify the key job incumbents in senior management positions and recommend whether the concerned individual be granted an extension in term/service or be replaced with an identified internal or external candidate or recruit other suitable candidate(s).
4. To ensure the systematic and long-term development of individuals in the senior management level to replace as and when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence.

### **4. APPLICABILITY OF THE POLICY**

The Policy shall be applicable for succession planning of the Managing Director/Whole-Time/Executive Directors, Non-Executive Directors, Independent Directors and other members of the Board and Senior Management Personnel.

### **5. SUCCESSION PLAN FOR THE BOARD AND SENIOR MANAGEMENT**

The Nomination and Remuneration Committee (the “NRC”) of the Company shall oversee and review succession plan from time to time and recommend the same to the Board.

#### **a) Succession Plan for the Board**

The NRC shall review the leadership and management needs of the Company from time to time. The NRC shall assess the suitability of a person who is being considered for appointment as a director of the Company, based on his / her educational qualification, experience, expertise, and track record and shall recommend to the Board, the terms and conditions of his/her appointment, including remuneration.

The NRC may, at its discretion, recommend to the Board, appointment of suitable candidate(s) in senior management level with a view to ensure a continuous availability of managerial talent at senior levels to meet the organizational needs.

The recommendations of the NRC shall be placed before the Board for approval. The senior management team shall always strive to develop in-house capabilities by enriching work exposure.

#### **b) Succession Plan for Senior Management**

Based on the inputs received from the Management, NRC shall periodically review any vacancy/probable vacancy in the position of KMP which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

The Whole-Time Directors, along with the Managing Director:

- a. shall periodically review and consider the list of KMP/ SMP due for retirement / vacancies arising out of attrition during the year.
- b. shall also consider the new vacancies that may arise due to the business needs/restructuring of functions/departments.
- c. In case if an KMP/ SMP is due for retirement, will review the possibility of an extension of such personnel on basis of the health, age, and the person's willingness to continue for an extended term. In case, if an extension is possible, such case is forwarded to the NRC and then the Board for its approval.
- d. In case of any vacancies, will evaluate suitable candidates for the said positions internally as well as externally on basis of the criteria such as job role, experience, leadership qualities competencies, track record etc.
- e. shall from time to time identify high potential employees who merit faster career progression to position of higher responsibility and give them adequate skill development and training requirements for their successful career progression.

In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart and hierarchy shall take interim charge of the position, pending a regular appointment in terms of the succession plan.

In addition to the above, the appointment of KMP/SMP shall be made in compliance with all applicable provisions of the Companies Act, 2013 (including the rules made there under), SEBI Listing Regulations and RBI Guidelines.

#### **6. REVIEW AND APPROVAL OF THE POLICY**

The Policy shall be reviewed periodically by the Board, or such individuals or committees of individuals authorised to do so, by the Board. Any change in the Policy shall be approved by the Board of the Company. However, all such amendments will be subject to applicable laws, rules and regulations.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

#### **7. DISCLOSURES IN THE BOARD'S REPORT**

The disclosures as required under the relevant provisions of the Companies Act, 2013, the rules made thereunder and the SEBI Listing Regulations shall be made as per the extant provisions.