



**GENNOVA BIOPHARMACEUTICALS LIMITED**

**REMUNERATION POLICY**

## **INTRODUCTION:**

Genova Biopharmaceuticals Limited (“the Company”) has in place a “Nomination and Remuneration Committee” consisting of minimum 3 (Three) Non-Executive Directors of which not less than one-half are Independent Directors.

The Nomination and Remuneration (NR) Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 (“the Act”) read with the applicable rules as may be modified or amended from time to time including any circular, notification thereto (hereinafter referred as “law”).

## **SCOPE AND EXCLUSION:**

This Policy sets out the guiding principles for the NR Committee:

- for identifying persons who are qualified to become Directors and who may be appointed in senior management and to determine the independence of Directors, in case of their appointment as independent directors of the Company;
- for recommending to the Board the remuneration of the directors, key managerial personnel and senior management and other employees of the Company.

## **SELECTION OF DIRECTORS AND DETERMINING DIRECTORS’ INDEPENDENCE:**

### **I. Qualifications and Criteria**

The NR Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s global operations.

In evaluating the suitability of individual Board members, the NR Committee may consider factors such as:

- General understanding of the Company’s business dynamics, global business and social perspective;
- Educational and professional background standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively;

- 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.

*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 time commitments of the candidates*

**The proposed appointee shall also fulfill the following requirements:**

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Act;
- Shall give his/her written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he/she is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his/her shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Act and other relevant laws.

## **II. Criteria of Independence**

The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The person being appointed as Independent Director of the Company:

- a. shall meet the criteria of independence, as laid down in the Act;
- b. shall be registered as an Independent Director in the data bank maintained and managed by Indian Institute of Corporate Affairs in compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and have complied with the requirement under Rule 6(4) of the aforesaid Rule.

The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Act.

### **III. Other Directorship/ Committee Memberships**

- a. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other public companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall consider the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- b. A Director shall not serve as Director, including any alternate directorship, in more than 20 (Twenty) companies of which not more than 10 (Ten) shall be Public Limited Companies.
- c. A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act shall be excluded.

### **REMUNERATION GUIDING PRINCIPLES:**

#### **I. Remuneration to Non-Executive Directors**

- a) The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees as per the provisions of law.

The Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the NR Committee, subject to overall ceilings stipulated in law.

- b) Payment of Commission to the Non-Executive Directors, in case of no profits or inadequacy of Profits:

In the event the Company has inadequate or no profits, the Board may, determine Payment of remuneration by way of commission to the Non-Executive Directors ("NED") of the Company, in any financial year, subject to compliance of the provisions of the Act and the Rules, Schedules made thereunder.

## II. Remuneration to Key Managerial Personnel and Whole-time Directors

The Company may pay remuneration by way of salary, perquisites and allowances (fixed and variable component) to the Key Managerial Personnel.

The Company may also pay commission to Whole-time Directors, as may be determined by the NR Committee/Board. Salary is paid within the range approved by the Shareholders. Annual increments as recommended by the NR Committee are approved by the Board.

## III. Remuneration Package of the Senior Management

The Company while deciding the remuneration package of the senior management takes into consideration the following items:

- a. The experience, qualification, talent and performance of Senior Management personnel;
- b. Comparative remuneration standards of peers in the industry and

The annual variable pay of senior management is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific performance indicators which are aligned to the Company's objectives.

### **REVIEW OF POLICY:**

This Policy shall be reviewed by the NR Committee/Board as may be deemed necessary and in accordance with any statutory /regulatory requirements. In case of any change/amendment in applicable statutes/regulations, the Policy shall stand modified to that extent.

\*\*\*\*\*

<i>Sr. No.</i>	<i>Version No.</i>	<i>Date of Approval</i>
1.	<i>Ver. 1 – Adoption of Policy</i>	<i>October 16, 2014</i>
2.	<i>Ver. 2 – Review of Policy</i>	<i>January 23, 2023</i>