

NOMINATION AND REMUNERATION POLICY

A. Preamble

ISSPL Limited (formerly known as “IRClass Systems and Solutions Limited” and “IRClass Systems and Solutions Private Limited”) (the “**Company**”) has formulated this Nomination and Remuneration Policy (“**Policy**”) to provide a framework for remuneration of members of the board of directors of the Company (the “**Board**”), Key Managerial Personnel (“**KMP**”), Senior Management and other employees of the Company.

Through this Policy, the Company aims to uphold the principles of fairness, transparency and accountability in all matters relating to the nomination, appointment, evaluation of performance and remuneration of Directors, KMPs and Senior Management thereby strengthening stakeholder confidence and supporting the Company's long-term growth and sustainability.

B. Background

This Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 and the rules made thereunder, each as amended (the “**Act**”), 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.

Reference to statutory provisions or regulations shall be construed as meaning and including references to any amendment or re-enactment, and amendment to any statutory provisions or regulations or clarifications applicable to the Policy after adoption of the Policy shall automatically be deemed to be included in the Policy, without any further amendment of the Policy.

C. Objective

The objective of this Policy is to ensure that:

1. the criteria for determining qualifications, positive attributes and independence of a Director is formulated;
2. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
3. the evaluation of performance of the Board, its committees and individual Directors is carried out in an effective manner;
4. remuneration to Directors, KMP and Senior Management 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; and
5. relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The NRC will review the performance and remuneration of the Directors and KMPs, in accordance with the framework laid down under this Policy. The performance evaluation and remuneration of the Senior Management and other employees of the Company will be monitored by the management in accordance with the human resource policy of the Company.

D. Definitions

“Act”	shall mean the Companies Act, 2013 and any Rules, regulations, circulars, notifications or orders issued thereunder, as may be amended from time to time;
“Applicable Law”	shall mean any law, rules, circulars, guidelines or regulations issued by the Securities and Exchange Board of India (“ SEBI ”) and the Ministry of Corporate Affairs (“ MCA ”);
“Board”	shall mean the Board of Directors of the Company;
“Company”	shall mean ISSPL Limited (formerly known as IRClass Systems and Solutions Limited and IRClass Systems and Solutions Private

Limited);

“Director”	shall mean a Director of the Company and the word “Directors” shall be construed accordingly;
“Independent Director”	shall have the meaning ascribed to the term under Section 2(47) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations;
“Key Managerial Personnel”	shall have the meaning ascribed to the term under Section 2(51) of the Act and Regulation 2(1)(o) of the SEBI Listing Regulations;
“Manager”	shall mean an individual who, subject to the superintendence, control and direction of the Board, has the management of the whole, or substantially the whole, of the affairs of the Company, and includes a Director or any other person occupying the position of a Manager, by whatever name called, whether under a contract of service or not;
“Nomination and Remuneration Committee” or “NRC”	shall mean the Nomination and Remuneration Committee constituted by the Board under Section 178 of the Act;
“Policy”	shall mean this Nomination and Remuneration Policy;
“Remuneration”	shall mean 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”	shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification(s), amendment(s) or re-enactment(s) thereof and any notifications, orders, circulars or clarifications, issued thereunder;
“Senior Management”	shall have the meaning ascribed to the term under the Explanation to Section 178(8) of the Act and Regulation 16(1)(d) of the SEBI Listing Regulations, as may be applicable to the Company;
“Stock Exchange”	shall mean a recognized stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 on which Equity shares of the Company are listed.

Words and expressions used and not defined in the Policy shall have the same meaning assigned to them in the Act and/or the SEBI Listing Regulations.

E. Nomination and Remuneration Committee

The Board has, in accordance with the requirements of Section 178 of the Act, constituted a Nomination and Remuneration Committee of the Board. The composition and terms of reference of the NRC, as approved by the Board, are in accordance with the requirements prescribed under the Act and may be amended by the Board from time to time, without deviating from the statutory requirements.

This Policy is integral to the functioning of the NRC and has, therefore, been formulated and recommended to the Board for its approval. The NRC may, from time to time, recommend such modifications to the Policy, as it may consider appropriate and necessary, and give effect thereto upon approval of the Board.

F. Appointment of Directors, KMPs and Senior Management**1. General appointment criteria:**

- (a) The NRC shall consider the ethical standards of integrity and probity, qualification, expertise and experience of a person for appointment as Director, Key Managerial Personnel or Senior Management and accordingly recommend the appointment to the Board.
- (b) The person considered for appointment to a position must possess the qualifications, expertise and experience reasonably required for the position. The NRC shall have discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position concerned.
- (c) Adequate declaration from the person proposed to be appointed as a Director or Key Managerial Personnel, to the effect that such person, is not disqualified to be appointed to such position, under the Act or enactment.
- (d) In case of appointment of an Independent Director, a declaration regarding meeting the criteria of independence as prescribed under the Act and the SEBI Listing Regulations, shall be obtained.
- (e) An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, administration, sales, marketing, research, corporate governance, technical operations or other disciplines related to the Company's business.
- (f) Positive attributes such as, integrity, ethical conduct, professional reputation, leadership qualities, strategic and analytical ability, objectivity of judgment, commitment to the Company's values and governance standards, ability to devote sufficient time and attention to Board matters, etc. shall also be determined in relation to an individual proposed to be appointed as a Director. The presence and relative significance of the aforesaid factors shall be evaluated by the NRC on a holistic basis, having regard to the requirements of the Board and the interests of the Company.
- (g) The Director/ Independent Director/ Key Managerial Personnel / Senior Management shall be appointed as per the procedure laid down under the provisions of the Act or Applicable Law.
- (h) The Company shall not appoint or continue the employment of any person as managing director, whole-time director or manager who has attained the age of seventy years, without obtaining the approval of members of the Company by way of a special resolution passed in a general meeting and complying with such other requirements pertaining to approvals, disclosures, filings, etc. as may be prescribed under the Act or Applicable Law.
- (i) The Company shall not appoint or employ a Managing Director and a Manager at the same time.
- (j) The appointment/ re-appointment of an Independent Director shall also be governed by the "Terms and Conditions of Appointment of Independent Directors," as may be adopted by the Board.

2. Tenure:

The tenure / term of a Director shall be governed by the Act and the SEBI Listing Regulations.

a) Managing Director/ Whole-time Director/ Manager:

The Company shall appoint or re-appoint any person as its Managing Director, Whole-time Director or Manager for a term not exceeding five years at a time, in accordance with Section 196(2) of the Act. No re-appointment shall be made earlier than one year before the expiry of the term.

b) Independent Director:

An Independent Director, in accordance with Section 149(10) of the Act, shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for reappointment 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, 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.

3. Removal:

Due to reasons of any disqualification mentioned in the Act or Applicable Law, the NRC may recommend to the Board for removal of a Director, Key Managerial Personnel or Senior Management subject to the provisions and compliance of the Act and the SEBI Listing Regulations.

For any compelling reason, other than disqualification incurred in accordance with the Act and Applicable Law, the NRC may recommend the removal of a Key Managerial Personnel or Senior Management to the Board, if the NRC is of the opinion that the continuation of employment of such Key Managerial Personnel or Senior Management may cause, moral, legal, financial, reputational or such other damage to the Company.

4. Retirement.

The retirement of Directors shall be in accordance with the applicable provisions of the Act and the Articles of Association of the Company. In case of Directors or Key Managerial Personnel appointed for a fixed term (Independent Directors or Executive Directors), they shall be deemed to have retired from their respective offices, at the end of such fixed tenure, if they are not re-appointed or if they are not eligible to be reappointed, in accordance with the provisions of the Act.

Key Managerial Personnel and Senior Management shall retire from their respective offices, in accordance with the prevailing human resource policy of the Company, applicable to its employees. The Board may, upon the recommendation of the NRC, or at its own discretion retain any Key Managerial Personnel or Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, where such retention is in the interest of the Company.

G. Remuneration of Directors, KMPs and Senior Management

1. The NRC will recommend the remuneration, including any modifications thereto, to be paid to the Managing Director, Whole Time Director, Manager and other Key Managerial Personnel, to the Board for its approval.
2. The remuneration payable to the Executive Directors and/or Manager shall be subject to the limits prescribed under the Act and be subject to approval of the shareholders of the Company.
3. The remuneration payable to Senior Management and other employees would be as per the prevailing human resources policy of the Company applicable to its employees, and as revised through the annual performance review process from time to time and approved by the Managing Director, in consultation with the head of the human resources department.
4. The NRC shall retain the prerogative to evaluate and recommend the remuneration payable to such members of Senior Management, as the NRC may identify for the purpose.
5. Where any insurance is subscribed to by the Company on behalf of its Directors or employees for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such Director or employee. However, if such Director or employee is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
6. In order to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and employees of the quality required to run the Company successfully, the NRC may, from time to time, direct the human resources department to conduct a market survey or

payroll assessment of the Company to determine whether the remuneration offered by the Company is up to the standards.

7. Remuneration to Managing Director, Whole-Time Director, Manager, other Key Managerial Personnel

- (a) Fixed pay: A managing director, whole-time director, manager and other key managerial personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the NRC, in accordance with the limits prescribed under the Act. The remuneration shall be decided in consideration of various factors, such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company. The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses etc. shall be decided and approved by the Board on the recommendation of the NRC and approved by the shareholders.
- (b) Variable pay: The remuneration may/shall consist of such variable component, as shall ensure clear establishment of relationship of remuneration to performance to meet appropriate performance benchmark. The proportion of the variable pay component of the remuneration to the fixed pay shall involve a balance reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- (c) Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its managing director, whole time director or manager in accordance with the provisions of Schedule V of the Act.

8. Remuneration to Non-executive / Independent Director

- (a) Sitting Fees: The non- executive / independent directors may receive remuneration by way of fees for attending meetings of the Board or committees thereof. Provided that the amount of such fees shall not exceed the maximum amount per meeting of the Board or Committee, as prescribed under the Act.
- (b) Remuneration / Commission: The remuneration / commission paid to the non-executive / independent directors shall be in accordance with the applicable provisions and the monetary limit prescribed under the Act.
- (c) Stock Options: Pursuant to the provisions of the Act, an independent director shall not be entitled to any stock option of the Company. Stock options may be granted to the non- independent directors of the Company in accordance with Section 62 of the Act and Act and applicable SEBI Regulations.

H. Evaluation of performance:

1. The evaluation of performance of the Directors shall be conducted on an annual basis in accordance with the applicable provisions of the Act including Section 134(3)(p) (requiring a formal evaluation statement in the Board's Report), Section 178(2) (mandating the Nomination and Remuneration Committee to carry out the evaluation process) and the SEBI Listing Regulations.
2. The Board, a committee, an individual or an agency, as may be authorized by the Board in this regard, shall carry out an evaluation of the performance of the Board, its committees and individual Directors.
3. The independent directors, at their annual meeting, held in accordance with Schedule IV of the Act shall review:
 - (a) the performance of non-independent Directors and the Board as a whole; and
 - (b) the performance of the chairperson of the Company, taking into account the views of executive Directors and non-executive Directors.
4. The performance evaluation of independent directors shall be done by the Board, excluding the Director being evaluated.
5. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
6. The annual performance evaluation of the Key Managerial Personnel and such members of the Senior

Management, as may be identified by the NRC for this purpose, shall be carried out by the NRC.

7. The annual performance evaluation of the Senior Management and other employees of the Company will be carried out in accordance with the prevailing human resource policy of the Company applicable to its employees, and a brief report of the performance evaluation of Senior Management will be presented to the NRC.

I. Communication and dissemination of the Policy

For communication and dissemination of the Policy to all Directors and employees of the Company, a copy of this Policy shall be posted on the website of the Company.

Further, the salient features of the Policy and changes, made therein during the financial year, if any, along with the web address of the Policy, shall be disclosed in the Board's report

J. Review and Amendments

The Board on its own and/or as per the recommendations of the NRC may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision /amendment in accordance with the rules, regulations, notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities to the Applicable Laws after adoption of this Policy by the Board, 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 hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

Any amendment to the Act and/or the SEBI Listing Regulations shall *mutatis mutandis* be deemed to have been incorporated in this Policy, wherever applicable, after adoption of this Policy by the Board.

Date of Approval	July 28, 2026
Effective Date	July 28, 2026
Version	1