APLAB LIMITED

ANNUAL EVALUATION POLICY FOR BOARD OF DIRECTORS

APLAB LIMITED (hereinafter referred to as "**the Company**") has formulated a Policy for evaluation of the Performance of the Board of Directors of the Company (**"Policy"**).

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Company's Code of Conduct policy for its employees and for the Board of Directors. The honesty, integrity and sound judgement and performance of the Directors and Senior Management are key criteria for success and for building a good reputation of the Company.

Your Company has accordingly made this policy to facilitate the formal annual evaluation required to be made by the Board of Directors of its own performance (self-appraisal) and that of its committees and individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Companies Act, 2013. The Nomination and Remuneration Committee shall evaluate the performance of each Board of Director as per sub- section (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made there under.

The Evaluation of Independent Directors and Executive Directors shall be carried out by the entire Board, except the Director getting evaluated, in the same way and the Board shall evaluate the performance of each committee each year based on the terms of reference provided to the Committee.

DEFINITION:

"**Act**" shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

"**The Company**" shall mean **APLAB LIMITED**

"**The Board of Directors**" or "**the Board**" in relation to the Company shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.

"**The Independent Director**" shall mean an Independent Director as defined under section 2 (47) read with section 149 (6) of the Act.

"**The Policy**" or "**This Policy**" shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

OBEJECTIVE:

The Board is ultimately responsible for the sound and prudential management of the Company.

Performance evaluation is the process of both formally and informally providing feedback about an individual's implementation of his/ her responsibilities. The Object of this policy is to formulate procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company and achieve good corporate governance as well as sustained long-term value creation for stakeholders.

CRITERIA FOR EVALUATION OF PERFORMANCE:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board.

1. Attendance and contribution at Board and Committee meetings.
2. His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, and strategic direction to align company's value and standards.
3. His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
7. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.

8. Quality of decision making on execution of projects and associated issues. Understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, human resources etc.

9. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.

10. His/her contribution to enhance overall brand image of the Company.

11. Actively contributes toward positive growth of the Company.

12. Conduct himself/ herself in a manner that is ethical and consistent with the laws of the land.

REVIEW:

The Nomination and Remuneration Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution in a meeting of the Committee.

DISCLOSURE:

In accordance with the requirements under the Companies Act, 2013, Rules framed thereunder and SEBI (LODR) Regulations, 2015, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors. The Company shall disclose the evaluation criteria in its Annual Report. The Policy will be available in the public domain i.e. on the website of the Company at www.aplab.com.

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