NOMINATION AND REMUNERATION POLICY

OF

APLAB LIMITED

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NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

In terms of the provisions of Section 178 of the Companies Act 2013, and the Rules made thereunder and Regulation 19 read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), every listed company shall constitute the Nomination and Remuneration Committee ("NRC") and formulate an Nomination and Remuneration Policy ("Policy") to:

a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors, Key Managerial Personnel ("KMP"), Senior Management and other employees and

b) To recommend the remuneration of the Directors, KMP and Senior Management to the Board. This includes reviewing and approving corporate goals and objectives relevant to the compensation of the Directors, evaluating their performance in light of those goals and objectives, and determine and approve Directors' compensation based on such evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation; and recommending incentive-compensation that are subject to approval of the Board.

DEFINITIONS

- **Act** means Companies Act, 2013 and Rules made thereunder, as amended from time to time;
- **Board** means Board of Directors'
- **Company** means "Aplab Limited";
- **Committee** means Nomination and Remuneration Committee ;
- **Director** means a director appointed to the Board of the Company;
- **Independent Director** means a director referred to in Section 149(6) of the Companies Act, 2013 read with Regulation 19(1)(b) of SEBI (LODR) Regulations, 2015, as amended from time

to time;

- **Key Managerial Personnel or KMP** means:
- Chief Executive Officer or the Managing Director or the Manager
- Company Secretary
- Whole-Time Director
- Chief Financial Officer
- Such other officer as may be prescribed.

- **Policy or this Policy** means Nomination and Remuneration Policy;
- **Remuneration** means remuneration as defined under section 2(78) of the Companies Act, 2013 including any amendment thereof;
- **Senior Management** means Officers/personnel of the listed entity who are members of its core management team excluding the Board of Directors and normally this shall comprise of all members of management one level below the Chief Executive Officer/ Managing Director/ Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) 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;

COMPOSITION OF THE NRC COMMITTEE

The Nomination and Remuneration Committee shall comprise three or more Non-Executive Directors, of whom not less than two-thirds shall be Independent Directors.

The Chairman/Chairperson of the Nomination and Remuneration Committee shall be an Independent Director. Provided that the chairman/chairperson of the Company, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

MEETINGS:

The Nomination and Remuneration Committee shall meet at least once a financial year.

QUORUM:

The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

The Chairman/Chairperson of the Nomination and Remuneration Committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairman/chairperson to decide who shall answer the queries.

OBJECTIVES OF THE POLICY

The objective of the policy is to ensure that:

a) 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;
b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
c) remuneration to directors, key managerial personnel 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.

ROLE OF THE COMMITTEE

The role of the Nomination and Remuneration Committee shall be as specified as in Part D of Schedule II of Listing Regulations.

The role of the Committee shall, *inter-alia,* include the following:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b. 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 identifying suitable candidates, the Committee may:
   i. use the services of an external agencies, if required;
   ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   iii. consider the time commitments of the candidates
c. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
d. Devising a policy on Board diversity;
e. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.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.
f. recommend to the board, all remuneration, in whatever form, payable to senior management.
g. Such other functions as may be necessary entrusted by the Board from time to time.

POLICY FORMULATED FOR

1. Appointment of members of the Board of Directors, KMP and Senior Management

Criteria for appointment:

- Identification and ascertainment of integrity, experience, expertise and qualification for appointment of Director/KMP/Senior Management and to decide whether the same are satisfactory for the position concerned.

- The Company shall not appoint or continue the employment of Managing Director/Whole-Time Director/Manager/CEO who:

  - is below the age of 21 years.
  - has attained the age of 70 years. Provided the term may be extended beyond the age of 70 years by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.
  - is an undischarged insolvent or has at any time been adjudged as an insolvent.
  - has at any time suspended payment to his creditors or makes or has at any time made a composition with them.
  - has at any time convicted by a court of an offence and sentenced for a period of more than 6 months.

- Any person who is serving as a whole-time director or Managing Director of any listed company shall serve as an independent director in not more than 3 (Three) listed companies.

Criteria for appointment of Director:

Any person who in the opinion of the Board is not disqualified under section 164 of the Act and who possesses ability, integrity, relevant expertise and experience can be appointed as director of the Company.

Any person who is proposed to be appointed as an Independent Director shall possess qualifications as stated in Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Company shall take adequate declarations from prospective candidate about his eligibility.

2. Term and Tenure of Directors/KMP/Senior Management:

A) Managing Director/Whole Time Director/Manager:

The Company shall appoint or re-appoint any person as its managing director/whole-time director or a manager for a term not exceeding 5 years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

B) Independent Director:

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 time commitments of the candidates.

An independent director shall hold office for a term of 5 consecutive years on the Board and shall be eligible for re-appointment on passing of a special resolution and making a disclosure in the Annual Report.

No independent director shall hold office for more than 2 consecutive terms but is eligible for appointment after expiry of 3 years of ceasing to become an independent director. Provided that the independent director shall not, during the said period of 3 years, be associated with the Company in any capacity either directly or indirectly.

C) KMP/Senior Management:

The term and tenure for other KMP and Senior Management shall be governed by the Company's Policy.

3. Evaluation of performance:

The Board of Directors or the Nomination and Remuneration Committee or an independent external agency shall evaluate the performance of Board, its Committees, and individual Directors/KMP and Senior Management yearly or at such intervals as may be considered necessary.

The Board shall evaluate the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

4. Removal and Retirement of Directors/KMP/Senior Management Removal:

Due to reasons for any disqualification mentioned in the Act or any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a director, subject to the provisions and compliance of the said Act, rules and regulations.

With respect to KMP and Senior Management, the removal will be governed by the Company's Policy and subsequent approval of the Board, if required.

Retirement:

The Director/KMP/Senior Management shall retire as per the applicable provisions of the Act and as per the policy of the Company.

5. Policy for Remuneration to Directors/KMP/Senior Management:

A) Remuneration to Managing Director/Whole-Time Director

The remuneration to be paid to Managing Director/Whole-Time Director shall be paid according to the provisions of the Act or any other enactment for the time being in force.

The Committee shall recommend the Board, subject to approval of the shareholders, with regards to the remuneration to Managing Director/Whole-Time Director.

B) Remuneration to Independent Directors:

The Independent Directors may receive remuneration by way of sitting fee for attending the Board/committee meetings. Provided that amount of such fees shall not exceed Rs. 1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee thereof or such amount as may be prescribed by the Act and the Rules made thereunder, from time to time.

The Board shall decide the sitting fees to be paid to the Director/Member for attending the Board/committee meetings.

The Independent Director shall not be eligible for any stock options of the Company.

Any remuneration (other than sitting fees paid for attending the meetings of the Board/committee) shall be in accordance with the provisions of the Act, for the time being in force.

C) Remuneration to KMP/Senior Management:

The remuneration to KMP/Senior Management shall comprise of fixed pay and incentive pay. Fixed pay shall include monthly remuneration, contribution to Public Provident Fund, etc. as decided from time to time. Incentive pay shall be decided on both the performance of the Company and performance of the KMP and Senior Management, to be decided yearly or at such

intervals as may be decided by the Company from time to time.

The Committee shall recommend the Board with respect to the remuneration of KMP/Senior Management. The remuneration shall be in accordance with the provisions of the Act, for the time being in force.

The Committee shall recommend to the board all remuneration, in whatever form, payable to senior management.

DISCLOSURE ON WEBSITE

The Nomination and Remuneration Policy shall be placed on the website of the Company, if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

AMENDMENT

The Company reserves its rights to amend or modify this Policy in whole or in part at any time without assigning any reason whatsoever. However, no such amendment or modification would be binding on the Directors/Employees unless the same is notified to the Directors/Employees in writing.

Updated: October 21, 2026

Date of approval by the Board: October 29, 2026

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