# NOMINATION AND REMUNERATION POLICY

**Policy Owner:** Company Secretary

**Approving Authority:** Board of Directors

**Version:** V.2 | Supersedes V.1 dated 21-February-2023

**Effective Date:** August 4, 2026

## 1. Background

Aragen Life Sciences Limited ("Company") believes in having a Board with diverse experience, knowledge, and skills, and a Management team capable of achieving the Company's strategic objectives. Applicable law provides the framework for the appointment, term, and remuneration of the Board of Directors, Key Managerial Personnel ("KMP"), and Senior Management, and the Company aligns this Policy with those requirements.

The Nomination and Remuneration Committee ("Committee") of the Board is responsible for: (a) determining qualifications, positive attributes, and independence criteria for directors; (b) recommending remuneration for directors, KMP, and Senior Management; (c) establishing evaluation criteria and frameworks; (d) developing and reviewing succession plans; and (e) overseeing familiarisation and continuing education for Independent Directors.

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the “Companies Act”) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), 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.

## 2. Committee Constitution and Procedures

The Committee shall comprise at least three members, all of whom shall be non-executive directors. A majority shall be independent directors. The Chairperson shall be an independent director and shall not be the same person as the Chairperson of the Board. No meeting shall be quorate without at least one independent director being present.

The Committee shall meet at least once in each financial year, with additional meetings as required. The Chairperson shall report to the Board after each meeting on matters discussed, decisions taken, and recommendations made.

## 3. Policy for Appointment of Directors and the Management Team

### I. Appointment criteria and qualifications

The person to be appointed as Director/KMP/Senior Management shall have the integrity, qualification, expertise, and experience required for the position. Key criteria:

a. Directors shall be selected from a wide range of backgrounds with due regard to the Board Diversity Policy, after ascertaining time commitments. External search agencies may be engaged.

b. The proposed whole-time KMP shall not hold office in more than one company except in the Company's subsidiary.

c. For every independent director appointment, the Committee shall evaluate the Board's balance of skills, knowledge, and experience and prepare a description of the role and capabilities required.

d. Before recommending any independent director appointment, the Committee shall verify that the candidate is registered with the prescribed online directors' education platform and has fulfilled all applicable proficiency requirements. The Committee shall annually verify the status of all incumbent Independent Directors.

e. The Committee shall review at least annually whether each Independent Director continues to satisfy applicable independence criteria. Any change affecting independence shall be reported to the Company Secretary promptly.

f. For appointments of Independent Directors and critical KMP succession positions, the Committee may engage an external search firm to identify and assess candidates.

### II. Term

Whole-time and Independent Directors shall not be appointed for a term exceeding that permitted by applicable law, and appointments shall comply with applicable retirement, rotation, and reappointment provisions.

### III. Retirement/Removal

a. Directors and Management team members shall retire as per applicable law. The Committee may recommend retention beyond retirement age in the Company's interests, subject to required approvals.

b. The Committee may recommend removal by specifying reasons in writing, including evaluation outcomes, statutory disqualifications, or violation of the Code of Conduct.

c. The Committee may determine severance pay and terms of exit.

### IV. Familiarisation programmes

The Committee shall review familiarisation programmes for Independent Directors to ensure they receive adequate information on the business, industry, governance structure, and legal responsibilities. Programme details shall be disclosed on the Company's website.

## 4. Policy on Remuneration to Directors and the Management Team

### A. General

1. Remuneration shall not exceed limits under applicable law without shareholder approval.

2. A director may be paid by monthly payment, as a percentage of net profits, or a combination.

3. In any year with no profits or inadequate profits, minimum remuneration to Whole-time Directors shall be paid per applicable law.

### B. Remuneration for Non-Executive Directors

i. Remuneration for Non-Executive Directors shall be determined by the Committee and recommended to the Board for approval.

ii. Criteria include: qualifications, experience, other directorships, expected contribution, ability to chair or serve on Committees, and contribution to governance and strategy.

iii. Remuneration structure determined by the Board, payable quarterly, half-yearly, or annually, including fixed and variable components.

iv. Non-Executive Independent Directors shall not be entitled to stock options.

v. Non-Executive Directors shall be reimbursed for reasonable expenses incurred in the performance of their duties.

### C. Appointment and Remuneration of Executive Directors

i. Executive Directors shall be employed under executive service contracts. The Committee shall fix all terms and conditions subject to shareholder approval per applicable law.

ii. Remuneration shall comprise fixed and performance-based components, including performance bonus and Stock Incentives.

iii. Remuneration of Whole-time Directors shall be assessed annually. Increments shall be within limits approved by shareholders.

iv. Executive Directors shall not receive remuneration, including sitting fees, for directorships in wholly-owned subsidiaries.

v. The Committee shall recommend to the Board a malus and clawback policy enabling recovery or forfeiture of variable remuneration for executive directors, KMP, and senior management in cases of material financial misstatement, serious misconduct, or other specified circumstances.

vi. The Committee may recommend that a portion of variable remuneration for executive directors and KMP be linked to measurable ESG performance targets approved by the Board.

### D. Remuneration to the Management Team

Remuneration shall comprise Base/Fixed Pay, Performance Bonus on achievement of Key Result Areas, and Stock Incentives. The structure shall align remuneration with organisational goals and market trends.

### E. Remuneration to Other Employees

Remuneration of other employees shall be in accordance with the Company's Compensation Policy, as revised through the annual Performance Appraisal process and as determined by the CEO in consultation with the CHRO.

## 5. Succession Plans

The Committee shall develop succession plans for the Board and Senior Management to maintain continuity of expertise. Written succession plans shall be maintained for the Chairperson of the Board, Managing Director/CEO, and all KMP and senior management positions identified as critical. Plans shall be reviewed at least annually by the Committee. The Board shall be kept informed of succession readiness for each critical position. Succession planning shall have due regard to the Board Diversity Policy.

## 6. Criteria for Board Evaluation

The Committee shall recommend objective criteria and a structured process for the formal annual evaluation of the Board, each Committee, and each director. Directors subject to evaluation shall not participate in their own evaluation. Evaluation of Independent Directors shall be conducted by the full Board, including an assessment of whether the independence criteria continue to be satisfied.

Evaluation criteria shall include:

- ability to contribute to and monitor corporate governance;
- active participation in developing medium and long-term strategy;
- participation in Board and Committee meetings;
- ability to guide management in addressing challenges and risks;
- alignment of Board composition with the Board Skills Matrix; and
- Fulfilment of independence criteria by independent directors.

Evaluation results shall inform the Committee's recommendations on Board composition and reappointments. Following each annual evaluation cycle, the Committee shall prepare a summary of outcomes and recommended actions for presentation to the Board.

The Committee may, at intervals of three to five years, engage an independent external facilitator to conduct or support the Board evaluation process to provide an objective external perspective on Board effectiveness.

## 7. General

### A. Familiarisation Programme and Website Disclosure

The Committee may review the design and conduct of the Company's familiarisation programme for Independent Directors, covering business, governance structure, industry context, financial performance, and legal responsibilities. Details, including topics covered, hours delivered, and directors trained, shall be disclosed on the Company's website following each programme. The Board may approve an annual training budget for directors to attend external governance education programmes.

### B. Review

The Committee shall review this Policy at intervals of not more than two years and make appropriate recommendations to the Board.

### C. Disclosures

This Policy shall be disclosed in the Annual Report and hosted on the Company's website as required by applicable law.

## D. Applicable Law to Prevail

In the event of any conflict between this Policy and applicable law, the provisions of such applicable law shall prevail.

## E. Amendments

Any subsequent amendment in applicable law shall automatically apply to this Policy. The Board may amend this Policy on the recommendation of the Committee.

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