AIRIQ 365 LIMITED

(FORMERLY KNOWN AS AIR IQ INDIA LIMITED)

Nomination and Remuneration Policy

(Under Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

CIN: U79110WB2025PLC279731

Registered Office: ASMI SQUARE, 2nd Floor, 2nd Mile, Sevoke Road, Darjeeling, Siliguri, West Bengal, India, 734001

1. INTRODUCTION:

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of Air IQ India Limited (**"the Company"**) is required to ensure that the shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 (**"Act"**) and the rules made there under and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time (**"LODR Regulations"**), this policy on nomination and remuneration of Directors (including non-executive directors), the Key Managerial Personnel ("**KMP**") and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

2. OBJECTIVE OF THE POLICY:

(a) The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent director(s) on the Board, KMP(s) and the Senior Management Personnel of the quality required and to allow fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:

(i) To formulate the criteria for determining qualifications, competencies, positive attributes and independence (wherever applicable) of directors for their appointment on the Board of the Company.
(ii) To recommend to the Board the remuneration payable to the directors, KMPs and senior management personnel.

(b) While determining the remuneration for the directors (including non- executive directors), KMPs and senior management personnel, regard should be given to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.

(c) While designing the remuneration package, it should be ensured:

(i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;
(ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
(iii) Remuneration to directors, KMPs 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.

3. DEFINITIONS:

(a) In this Policy, unless the context otherwise requires:

(i) **'Board of Directors'** or **'Board'**, in relation to the Company, means the board of directors of the Company.
(ii) **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in terms of the Act and LODR Regulations.
(iii) **'Independent Director'** means a director referred to in Section 149(6) of the Act, read with LODR Regulations.
(iv) **'Key Managerial Personnel' (KMP)** shall have the meaning described to it in the Act and the Rules made thereunder.
(v) **'Policy'** means this Nomination and Remuneration Policy, as may be amended from time to time.
(vi) **'Senior Management Personnel'** for this purpose shall mean personnel of the Company who are members of its core management team, excluding the Board of Directors. It would comprise all members of management one level below the executive director(s), including 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 listed entity

(b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ or LODR Regulation as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. APPLICABILITY:

This Policy is applicable to:

(i) Directors
(ii) Key Managerial Personnel
(iii) Senior Management Personnel

6. MEMBERSHIP:

(a) The Committee shall consist of such number of directors as is required under applicable laws.
(b) Membership of the Committee shall be disclosed in the Annual Report and on the website of the Company.
(c) The term of the Committee shall be continuous unless terminated by the Board of Directors.

7. CHAIRMAN:

(a) The Chairman of the Committee shall be an Independent Director.

(b) The Chairman of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not be the Chairman of the Committee.

(c) The Chairman of the Nomination and Remuneration Committee meeting may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

8. FREQUENCY OF MEETINGS:

The meeting of the Committee shall be held at such intervals as may be required, subject to a minimum of one meeting in a financial year.

9. COMMITTEE MEMBERS' INTERESTS:

(a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

(b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

10. SECRETARY:

The Company Secretary of the Company shall act as Secretary of the Committee.

11. QUORUM:

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee; whichever is greater.

12. VOTING:

(a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall, for all purposes, be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

13. RESPONSIBILITY OF THE COMMITTEE:

The Committee is responsible for:

(a) Formulating criteria for determining qualifications, positive attributes and independence of a director for the purpose of this Policy;

(b) Advising the Board on issues concerning principles for remuneration and other terms of employment, including remuneration for the Directors (including non-executive directors), KMPs and the Senior Management;

(c) Monitoring and evaluating programs for variable remuneration, both ongoing and those that have ended during the year, for the Directors (including Non-Executive Directors), KMPs and the Senior Management;

(d) Monitoring and evaluating the application of this Policy;

(e) Monitoring and evaluating current remuneration structures and levels in the Company; and

(f) Any other responsibility as determined by the Board.

14. APPOINTMENT OF DIRECTORS, KMP OR SENIOR MANAGEMENT PERSONNEL:

(a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and/or Senior Management Personnel and recommend to the Board his / her appointment.

For the appointment of Independent Directors, the 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 and thereafter propose the appointment of an Independent Director who meets these requirements.

(b) The Committee has discretion to decide whether the qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

(c) Appointment of Directors, KMPs and Senior Management Personnel is subject to compliance with the provisions of the Act and LODR Regulations.

(d) The Independent Directors shall abide by the "Code for Independent Directors" as specified in schedule IV to the Act.

(e) The proposed appointee shall also fulfill the following requirements:
(i) shall possess a Director Identification Number;
(ii) shall not be disqualified under the Act, SEBI Listing Regulations and any other relevant law;
(iii) shall give his written consent to act as a Director;
(iv) shall endeavor to attend all board meetings and wherever he is appointed as a committee member, the committee meetings;
(v) shall abide by the Code of Conduct established by the Company for Directors and SMP;
(vi) shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every

financial year and thereafter whenever there is a change in the disclosures already made; and such other requirements as may be prescribed, from time to time, under the Act, the SEBI Listing Regulations and other relevant laws..

(f) The appointment of Managing Director and Independent Director of the Company shall be strictly in accordance with the applicable provisions of the Act and any other applicable law for the time being in force

(g) The removal of Directors may be warranted due to reasons such as disqualification prescribed under the applicable laws and / or disciplinary reasons. In such situation, the NRC shall in consultation with the Board, review the performance and/or other factors and subject to the provisions of the applicable laws and the Articles of Association of the Company, recommend to the Board its course of action.

(h) The Committee to impart training to the person appointed as Director of the Company, on matters related to the Company vis-a-vis its profile, the core business, its area of operations and work mechanism etc.

The resultant vacancy caused by removal of Directors may be filled by the NRC in accordance with this policy and the applicable laws.

15. TERM/TENURE:

(a) The tenure for the Executive Directors, Non-Executive Directors and Independent Directors shall be governed by the terms defined in the Act and the Listing Regulations.

(b) The tenure of the Key Managerial Personnel (except Managing Director and Executive Directors) and Senior Management will be governed by the general rules and regulations governing human resources /employees of the Company.

16. REMUNERATION:

15.1. **Remuneration To Managing Director/ Whole Time Director**

The Remuneration to Managing Director of the Company shall be governed by Section 197, and Schedule V of the Companies Act, 2013/ any other enactment for the time being in force.
The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

Market competitive;

b. Driven by the role played by the individual;

c. Reflective of size of the Company, complexity of the sector/industry/Company’s operations and the Company’s capacity to pay;

d. Consistent with recognized best practices;

e. Aligned to any regulatory requirements;

f. In terms of remuneration mix or composition:

i. The compensation paid to the executive directors (including managing director) will be within the scale approved by the shareholders. The elements of the total compensation, approved by the NRC will be within the overall limits specified under the Act.

ii. Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

iii. In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance.

iv. The Company provides retirement benefits as applicable.

v. In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.

vi. In case of inadequacy of profit in any financial year, the remuneration payable to the executive director shall be further subject to the relevant provisions of the Act.

vii. In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:

A. Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time, Industry benchmarks of remuneration; and

B. Performance of the individual.

viii. The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company;

ix. The executive directors, except for a promoter director, will also be eligible for ESOPs as per the ESOP scheme in force from time to time. Grants under the ESOP scheme shall be approved by the NRC; and

x. The Committee may make such recommendations as it may consider appropriate in connection with the Remuneration to be paid to the Managing Director/ Whole- time Director and the other Directors of the Company.

15.2 Remuneration Payable to Director for Services Rendered in Other Capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity, unless:

(i) The services rendered are of a professional nature; and

(ii) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

The NRC shall review and evaluate Board composition to ensure that the Board and its Committees have the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness.

(a)Remuneration to Executive Director

Fixed pay:

(i) Executive Director(s) shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and the approvals obtained from the shareholders of the Company.

(ii) The break-up of the pay scale and quantum of perquisites, including, employer's contribution to P.F., pension scheme, medical expenses, club fees, etc., shall be decided and approved by the Board on the recommendation of the Committee.

Variable component:

(iii) The Executive Director(s) may be paid performance-linked commission within the overall limits as approved by the shareholders and the Central Government, wherever required.

(b) Remuneration to Non-Executive Directors including Independent Directors:

(i) The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% or 3%, as the case may be, of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013

(ii) The Non-Executive Directors and Independent Directors of the Company are entitled to receive remuneration by way of sitting fees for attending meetings of the Board or Committee thereof in accordance with the provisions of the Act.

(iii) The Independent Directors shall not be entitled to any stock incentive of the Company.

(iv) Any remuneration paid to Non-Executive / Independent Directors for services rendered, which are of a professional nature, shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

a) The services are rendered by such a director in his capacity as a professional, and

b) In the opinion of the Committee, the director possesses the requisite qualifications for the practice of that profession.

(v) The Remuneration of Non–Executive / Independent Director (including revisions thereof) shall be based once certain financial parameters like the performance of the Company, its market capitalization, industry benchmarks, role of the Director and such other relevant factors.

(vi) Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

(vii) Overall remuneration should be reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay the remuneration.

(viii) Quantum of sitting fees may be subject to review on a periodic basis, as required.

(ix) The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.

(x) In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board / Board committee meetings, general meetings, court convened meetings, meetings with shareholders / creditors / management, site visits, induction and training (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

(xi) The Non–Executive / Independent Directors shall not be entitled to any stock option or stock appreciation rights of the Company. In case of inadequate profit, the Remuneration payable to the Non–Executive / Independent Directors shall be payable as per the provision of the Companies Act 2013 and SEBI Listing Regulations.

<u>Remuneration to KMP and Senior Management Personnel:</u>

(i) KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

(ii) The break-up of the pay scale and quantum of perquisites, including, employer's contribution to P.F, pension scheme, medical expenses, club fees, etc., shall be decided and approved by the Committee.

(iii) Based on the performance, KMP and Senior Management Personnel will be paid incentives.

(iv) Where any insurance is taken by the Company on behalf of its managing director, whole-time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such a person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(v) The annual incentive (variable pay) of all employees, if any will be linked directly to the performance of the Company.

(vi) Based on the grade and seniority of employees, benefits for employees include:
a. Health-Related
b. Health (hospitalization) insurance
c. Accident and life insurance
d. Retirement-related
e. Contribution to a superannuation fund (in addition to statutory benefits such as provident fund account, gratuity, etc.)

(vii) Employees will also be eligible for work-related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.

(viii) The annual increment of all employees, including Key Managerial Personnel and Senior Management will be on the basis of formal annual performance evaluation. Annual increases in fixed and variable compensation of individual executives will be directly linked to the performance ratings of individual employees.

16. POLICY ON BOARD DIVERSITY:

(a) The Board of Directors shall have the optimum combination of Directors from the different areas/ fields like production, management, quality assurance, finance, sales and marketing, research and development, Human Resources, etc. or as may be considered appropriate.

(b) The Board shall have at least one Board member who has accounting or related financial management expertise.

17. REMOVAL:

(a)Subject to the applicable provisions of the Act and SEBI (LODR), the Committee may recommend the removal of any of the Board of Directors of the Company if he has incurred disqualification under Section 164 of the Act or under Section 167 or Section 169 of the Act. The reason for removal needs to be recorded in writing, subject to the provisions and compliance of the said Act, rules and regulations and the same should be forwarded it to the Board of Directors for their consideration.

(b)The removal of the Key Managerial Personnel (except Managing Director/ executive director) shall be as per provisions of Companies Act, 2013 and Senior Management will be governed by general rules and regulations/ Policy governing Human resources /employees of the Company.

18. RETIREMENT:

The Managing Director/ Whole-time Directors (WTD), Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013/ prevailing policy of the Company. The Board will have the discretion to retain the WTD, Key Managerial Personnel and the Senior Management Personnel for the same position/ remuneration or otherwise, even after attaining the retirement age for the benefit of the Company.

19. DEVIATION FROM THE POLICY:

The Board may, in individual or collective cases, deviate from this Policy, in its absolute discretion, if there are reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board’s minutes.

20. AMENDMENTS TO THE POLICY:

The Board of Directors, on its own and / or as per the recommendations of the Nomination and Remuneration Committee, can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, 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.

Effective Date: 08th December 2025

Place:Siliguri