

STANDARD OPERATING PROCEDURE (SOP)

FOR COMPOSITION OF VARIOUS COMMITTEES OF THE BOARD OF DIRECTORS

OF

CALIFORNIA SOFTWARE COMPANY LIMITED

1. PREAMBLE

This Standard Operating Procedure (“SOP”) is formulated to establish a structured governance framework for the constitution, composition, functioning, powers, responsibilities, and compliance requirements of various Committees of the Board of Directors of California Software Company Limited (“the Company”).

This SOP is prepared in accordance with:

- Companies Act, 2013
 - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - Secretarial Standards issued by ICSI
 - Applicable provisions of NSE and BSE Listing Requirements
 - Articles of Association of the Company
 - Corporate Governance Best Practices
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2. OBJECTIVES

The objectives of this SOP are to:

- Ensure effective corporate governance and regulatory compliance
 - Define the structure and composition of Board Committees
 - Improve operational efficiency and decision-making
 - Ensure transparency, accountability, and oversight
 - Facilitate segregation of responsibilities among Committees
 - Strengthen risk management and internal controls
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3. APPLICABILITY

This SOP shall apply to:

- Board of Directors
 - Independent Directors
 - Executive Directors
 - Company Secretary
 - Senior Management Personnel
 - All Board Committees constituted by the Company
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4. BOARD COMMITTEES

The Company may constitute the following Board Committees:

1. Audit Committee
 2. Nomination and Remuneration Committee (NRC)
 3. Stakeholders Relationship Committee
 4. Corporate Social Responsibility (CSR) Committee
 5. Risk Management Committee
 6. Finance and Investment Committee
 7. ESG / Sustainability Committee
 8. IT Strategy and Digital Transformation Committee
 9. Any other Committee as may be required under applicable laws or by the Board.
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5. GENERAL PRINCIPLES FOR COMPOSITION OF COMMITTEES

All Board Committees shall:

- Be constituted by resolution of the Board
- Have clearly defined Terms of Reference (TOR)
- Comprise Directors as required under applicable laws
- Include Independent Directors wherever mandated
- Appoint a Chairperson for effective functioning
- Maintain proper minutes and records
- Report recommendations and decisions to the Board

The Company Secretary shall act as Secretary to the Committees unless otherwise decided.

6. AUDIT COMMITTEE

6.1 Composition

The Audit Committee shall consist of:

- Minimum three Directors
- Two-thirds of members shall be Independent Directors
- All members shall be financially literate
- At least one member shall possess accounting or financial management expertise

6.2 Chairperson

- Chairperson shall be an Independent Director
- Chairperson shall attend AGM to answer shareholder queries

6.3 Key Responsibilities

- Financial reporting oversight
- Internal audit and statutory audit review
- Internal financial controls
- Risk management oversight
- Related party transaction review
- Vigil mechanism monitoring
- Compliance review

6.4 Meetings

- Minimum four meetings annually
 - Gap between meetings shall not exceed prescribed limits
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7. NOMINATION AND REMUNERATION COMMITTEE (NRC)

7.1 Composition

The NRC shall consist of:

- Minimum three non-executive directors
- At least 50% Independent Directors
- Chairperson shall be an Independent Director

7.2 Responsibilities

- Appointment and evaluation of Directors
- Senior management remuneration

- Succession planning
- Performance evaluation framework
- Board diversity policy
- Recommendation of compensation structure

7.3 Meetings

- Meetings shall be conducted periodically as required.
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8. STAKEHOLDERS RELATIONSHIP COMMITTEE

8.1 Composition

The Committee shall consist of:

- Minimum three Directors
- At least one Independent Director
- Chairperson shall be a Non-Executive Director

8.2 Responsibilities

- Redressal of shareholder grievances
 - Monitoring investor relations
 - Transfer/transmission of shares
 - Monitoring dividend-related issues
 - Monitoring complaints received from SEBI, stock exchanges, and shareholders
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9. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

9.1 Composition

The CSR Committee shall consist of:

- Minimum three Directors
- At least one Independent Director (where applicable)

9.2 Responsibilities

- Formulation of CSR Policy
 - Recommendation of CSR expenditure
 - Monitoring CSR projects and initiatives
 - Preparation of CSR disclosures and reports
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10. RISK MANAGEMENT COMMITTEE

10.1 Composition

The Committee shall consist of:

- Directors and senior executives as decided by the Board
- Majority of members may include Board members
- Chairperson shall be a Board member

10.2 Responsibilities

- Enterprise risk management oversight
 - Cybersecurity and technology risks
 - Financial and operational risk monitoring
 - Business continuity planning
 - Compliance risk review
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11. FINANCE AND INVESTMENT COMMITTEE

11.1 Composition

The Committee may consist of:

- Executive and Non-Executive Directors
- CFO and senior finance personnel may be invited

11.2 Responsibilities

- Review of capital expenditure
 - Fund raising activities
 - Banking arrangements
 - Investment approvals
 - Treasury management
 - Borrowings and financial structuring
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12. ESG / SUSTAINABILITY COMMITTEE

12.1 Composition

The Committee may consist of:

- Directors
- Sustainability experts

- Senior management representatives

12.2 Responsibilities

- ESG framework implementation
 - Sustainability reporting
 - Environmental and social compliance
 - Governance initiatives
 - BRSR monitoring
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13. IT STRATEGY AND DIGITAL TRANSFORMATION COMMITTEE

13.1 Composition

The Committee may consist of:

- Directors with technology expertise
- CIO / CTO / technology leaders
- Independent Directors where appropriate

13.2 Responsibilities

- Technology strategy oversight
 - AI and digital transformation initiatives
 - Cybersecurity governance
 - Data privacy and information security
 - IT investments and infrastructure review
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14. POWERS OF COMMITTEES

Each Committee shall have powers as delegated by the Board including:

- Seeking information from employees
 - Obtaining external professional advice
 - Reviewing Company records and documents
 - Recommending actions to the Board
 - Conducting investigations where necessary
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15. COMMITTEE MEETINGS

15.1 Notice of Meetings

- Proper notice shall be provided before meetings
- Agenda and supporting documents shall be circulated in advance

15.2 Quorum

- Quorum shall be as prescribed under applicable laws and committee charters

15.3 Participation

Meetings may be conducted through:

- Physical meetings
 - Video conferencing
 - Hybrid mode
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16. MINUTES AND RECORDS

The Company Secretary shall:

- Prepare minutes of meetings
 - Maintain attendance records
 - Preserve resolutions and supporting documents
 - Ensure compliance with Secretarial Standards
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17. REPORTING TO BOARD

All Committees shall submit:

- Meeting summaries
- Recommendations
- Action taken reports
- Compliance updates

The Board shall review Committee performance periodically.

18. PERFORMANCE EVALUATION OF COMMITTEES

The Board may evaluate Committees based on:

- Effectiveness of oversight
 - Quality of recommendations
 - Compliance adherence
 - Attendance and participation
 - Governance contribution
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19. REVIEW OF COMMITTEE COMPOSITION

The composition of Committees shall be reviewed periodically:

- Upon change in Directors
 - Upon regulatory amendments
 - During annual governance review
 - Based on operational requirements
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20. DISCLOSURES

The Company shall disclose Committee details in:

- Annual Report
 - Corporate Governance Report
 - Website disclosures
 - Stock exchange filings
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21. CONFIDENTIALITY

Committee members shall maintain confidentiality regarding:

- Financial information
 - Strategic matters
 - Risk assessments
 - Board discussions
 - Unpublished price sensitive information (UPSI)
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22. AMENDMENTS

This SOP may be amended by:

- Board of Directors
 - Based on regulatory changes
 - Recommendation of Committees or Company Secretary
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23. EFFECTIVE DATE

This SOP shall come into effect upon approval by the Board of Directors of California Software Company Limited.

APPROVAL

Approved by the Board of Directors of

CALIFORNIA SOFTWARE COMPANY LIMITED

Date: APRIL 10, 2026

Place: Chennai, Tamil Nadu, India

Chairman / Managing Director Authorized Signatory