

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

OF

CALIFORNIA SOFTWARE COMPANY LIMITED

1. PREAMBLE

This Remuneration Policy ("Policy") has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of California Software Company Limited ("the Company" or "Calsoft") in accordance with:

- Section 178 and other applicable provisions of the Companies Act, 2013;
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations");
- Schedule V of the Companies Act, 2013;
- Applicable Secretarial Standards and corporate governance practices.

The Policy aims to ensure that the remuneration paid to Directors, Key Managerial Personnel ("KMP"), and employees is fair, transparent, competitive, performance-driven, and aligned with the long-term business objectives and growth strategy of the Company.

2. OBJECTIVES OF THE POLICY

The objectives of this Policy are to:

- Attract, retain, and motivate highly qualified and competent professionals;
 - Ensure that remuneration is linked to individual and organizational performance;
 - Promote a culture of meritocracy and accountability;
 - Maintain a balance between fixed and performance-based remuneration;
 - Ensure compliance with legal and regulatory requirements;
 - Align compensation structures with industry benchmarks and business performance;
 - Encourage long-term value creation for shareholders and stakeholders.
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3. APPLICABILITY

This Policy shall apply to:

- Executive Directors;
 - Non-Executive Directors;
 - Independent Directors;
 - Key Managerial Personnel;
 - Senior Management Personnel;
 - Permanent employees of the Company.
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4. DEFINITIONS

4.1 Board

Means the Board of Directors of California Software Company Limited.

4.2 Director

Means a Director appointed on the Board of the Company.

4.3 Key Managerial Personnel (KMP)

Shall have the meaning assigned under Section 2(51) of the Companies Act, 2013 and includes:

- Chief Executive Officer (CEO) / Managing Director / Manager;
 - Whole-time Director;
 - Chief Financial Officer (CFO);
 - Company Secretary;
 - Such other officers as may be prescribed.
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4.4 Senior Management Personnel

Means officers/personnel of the Company who are members of its core management team excluding the Board of Directors and normally comprising all members of management one level below the Executive Directors.

4.5 Nomination and Remuneration Committee (NRC)

Means the Committee constituted by the Board in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR Regulations.

5. ROLE OF NOMINATION AND REMUNERATION COMMITTEE

The NRC shall:

- Formulate criteria for determining qualifications, positive attributes, and independence of Directors;
- Recommend remuneration structure for Directors, KMPs, and Senior Management Personnel;
- Evaluate performance of Directors and Senior Management;
- Review succession planning and leadership development;
- Ensure remuneration practices are aligned with the Company's strategic objectives;
- Periodically review and recommend modifications to this Policy.

6. GUIDING PRINCIPLES OF REMUNERATION

The remuneration framework of the Company shall be guided by the following principles:

- Fairness and transparency;
- Pay for performance;
- Merit-based compensation;
- Long-term sustainability;
- Market competitiveness;
- Regulatory compliance;
- Alignment with shareholder interests.

7. REMUNERATION TO EXECUTIVE DIRECTORS

7.1 Components of Remuneration

The remuneration payable to Executive Directors may include:

- Basic Salary;
- House Rent Allowance (HRA);
- Special Allowances;
- Performance-linked incentives;
- Commission;
- Stock Options / ESOPs (where applicable);
- Medical and insurance benefits;
- Retirement benefits;
- Leave travel allowance and other benefits;
- Perquisites as approved by the Board/shareholders.

7.2 Criteria for Determination

The remuneration payable to Executive Directors shall be determined considering:

- Qualifications and experience;
 - Industry standards and market benchmarks;
 - Scope of duties and responsibilities;
 - Company performance;
 - Individual performance;
 - Future business plans and growth strategy.
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7.3 Approval Process

The remuneration of Executive Directors shall be:

- Recommended by the NRC;
 - Approved by the Board of Directors;
 - Approved by shareholders wherever required under applicable laws.
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8. REMUNERATION TO NON-EXECUTIVE DIRECTORS

8.1 Sitting Fees

Non-Executive Directors and Independent Directors may be paid sitting fees for attending:

- Board Meetings;
- Committee Meetings;
- Independent Directors' Meetings.

The sitting fees shall be within the limits prescribed under the Companies Act, 2013 and SEBI Regulations.

8.2 Commission

The Company may pay profit-related commission to Non-Executive Directors subject to:

- Shareholder approval;
 - Applicable legal limits;
 - Performance and contribution to governance.
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8.3 Reimbursement of Expenses

Non-Executive Directors may be reimbursed for:

- Travel expenses;
 - Boarding and lodging;
 - Communication expenses;
 - Other expenses incurred for Company business.
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9. REMUNERATION TO INDEPENDENT DIRECTORS

Independent Directors shall be entitled to:

- Sitting fees;
- Reimbursement of expenses;
- Profit-related commission as approved by shareholders.

Independent Directors shall not be entitled to:

- Stock options;
- Performance-linked incentives prohibited under applicable laws.

The remuneration structure shall ensure maintenance of independence and objectivity.

10. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The remuneration structure for KMPs and Senior Management Personnel may include:

- Fixed salary;
- Variable pay/performance incentives;
- Annual bonus;
- Retirement benefits;
- Insurance and welfare benefits;
- Long-term incentive plans where applicable.

The remuneration shall be based on:

- Qualifications;
 - Experience;
 - Leadership capabilities;
 - Responsibilities;
 - Market competitiveness;
 - Performance evaluation.
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11. REMUNERATION TO OTHER EMPLOYEES

The remuneration payable to employees shall be determined based on:

- Job profile and responsibilities;
- Educational qualifications;
- Skills and competencies;
- Experience and seniority;
- Individual performance;
- Industry standards and market practices;
- Business performance of the Company.

The Company may adopt a structured grading system and performance appraisal mechanism for employees.

12. PERFORMANCE EVALUATION

The NRC and Board shall periodically evaluate:

- Board performance;
- Committee effectiveness;
- Performance of Executive Directors;
- Performance of KMPs and Senior Management Personnel.

The remuneration review may be linked to the outcome of performance evaluations.

13. DISCLOSURES

The Company shall disclose details of this Policy in:

- Board's Report;
 - Annual Report;
 - Corporate Governance Report;
 - Website disclosures as required under SEBI Regulations.
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14. COMPLIANCE

The Company shall ensure compliance with:

- Companies Act, 2013;
- SEBI Regulations;
- Income Tax laws;
- Applicable accounting standards;
- Stock exchange requirements.

15. REVIEW AND AMENDMENT

This Policy may be reviewed and amended by the Board of Directors based on:

- Recommendations of the NRC;
- Regulatory amendments;
- Business and governance requirements.

Any amendment shall become effective from the date approved by the Board.

16. EFFECTIVE DATE

This Policy 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