

STANDARD OPERATING PROCEDURE (SOP) CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS CALIFORNIA SOFTWARE COMPANY LIMITED

1. PREAMBLE

This SOP has been formulated by California Software Company Limited in accordance with the Companies Act, 2013, SEBI LODR Regulations, Schedule V, and corporate governance requirements to establish transparent criteria for remuneration payable to Non-Executive Directors.

2. OBJECTIVES

- Establish transparent remuneration criteria
 - Ensure statutory and regulatory compliance
 - Attract and retain competent Board members
 - Encourage active Board participation
 - Maintain independence and objectivity
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3. APPLICABILITY

This SOP applies to Non-Executive Directors, Independent Directors, NRC, Board of Directors, Finance Department, and Compliance Team.

4. DEFINITIONS

Non-Executive Director: Director not involved in day-to-day management.

Independent Director: Director meeting independence criteria under applicable laws.

Sitting Fees: Fees paid for attending Board or Committee meetings.

Commission: Profit-related remuneration approved by shareholders.

5. GUIDING PRINCIPLES

- Fairness and transparency
 - Alignment with governance responsibilities
 - Regulatory compliance
 - Encouragement of active participation
 - Long-term stakeholder value creation
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6. COMPONENTS OF REMUNERATION

Sitting Fees: Fees for attending Board and Committee meetings.

Profit-Related Commission: Commission subject to shareholder approval and legal limits.

Reimbursement of Expenses: Travel, accommodation, communication, and business expenses.

Professional Fees: Fees for professional services where permitted under law.

7. CRITERIA FOR DETERMINING REMUNERATION

- Role and responsibilities
 - Attendance and participation
 - Expertise and experience
 - Time commitment
 - Company performance
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8. RESTRICTIONS ON REMUNERATION

Independent Directors shall not receive stock options or performance-linked incentives prohibited under applicable laws.

9. APPROVAL PROCESS

NRC: Review and recommend remuneration framework.

Board: Approve remuneration payable to Non-Executive Directors.

Shareholders: Approval wherever required under applicable laws.

10. DISCLOSURES

The Company shall disclose remuneration paid to Non-Executive Directors in Annual Reports, Corporate Governance Reports, Financial Statements, and stock exchange filings.

11. TAXATION AND STATUTORY COMPLIANCE

Payments shall be subject to TDS, GST provisions where applicable, and statutory compliance requirements.

12. PERFORMANCE REVIEW

The NRC and Board may periodically review remuneration practices considering governance standards, Company performance, and industry benchmarks.

13. RECORD MAINTENANCE

The Company Secretary and Finance Department shall maintain records of approvals, attendance, payments, disclosures, and compliance documentation.

14. REVIEW AND AMENDMENT

This SOP may be reviewed and amended periodically by the NRC and Board of Directors.

15. 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