

SAI CAPITAL LIMITED

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CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

PREAMBLE:

With changes in the Corporate Governance norms brought in by the Companies Act, 2013 as well as the SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015, the role of Non-Executive Directors (NEDs) and the degree and quality of their engagement with the Board, its Committees, and the Company has undergone significant changes over a period of time. The Company hugely benefits from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in attending Board / Committee Meetings and deliberating on strategic and critical issues in the course of the Board / Committee Meetings of the Company and give their valuable advice, suggestions, inputs and guidance to the Management of the Company from time to time. Levels of remuneration to the NEDs are so determined that they attract, retain and motivate Directors of the quality and ability required to run the Company efficiently and successfully.

Under the SEBI (Listing Obligation & Disclosure Requirement), Regulations 2015, every Company is required to publish its criteria of making payments to NEDs in its Annual Report. Alternatively, this may be put up on the Company's website and reference may be drawn thereto in its Annual Report.

Section 197 of the Companies Act, 2013 and Regulation 17(6)(a) of SEBI (Listing Obligation & Disclosure Requirements), Regulations 2015 requires the prior approval of the Shareholders of a Company for making payments to its NEDs.

In keeping with the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following:

Sitting Fee:

Such Director(s) may receive remuneration by way of Fee for attending Meetings of the Board or Committee(s) thereof, or any other Meeting as required by Companies Act, 2013, SEBI (Listing Obligation & Disclosure Requirements), Regulations 2015 or other applicable laws or for any other purpose whatsoever as may be decided by the Board.

However, pursuant to Regulation 17(6)(b) of LODR, payment of sitting fees to NEDs does not require approval of Shareholders at a General Meeting, if paid within the specified limit.

Commission:

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other.

Further, the Section also states that where the company either has a Managing Director or Whole-time Director or Manager, then a maximum of 1% of its Net Profits* can be paid as remuneration to its NEDs. In case there is no Managing Director or Whole-time Director or Manager, then a maximum of 3% of Net Profit* can be paid. Thus, the basis of payment to the NEDs is the Net Profit of the Company.

However, pursuant to Regulation 17(6)(ca) of LODR the approval of Shareholders by Special Resolution shall be obtained every Financial Year, in which the annual remuneration payable to a single Non-executive Director exceeds 50% of the total annual remuneration payable to all Non-executive Directors, giving details of the remuneration, thereof.

**Net Profit refers to that profit which is calculated pursuant to Section 198 of the Companies Act, 2013.*

The Company is, however, not obligated to remunerate its NEDs.

Refund of excess remuneration paid:

If any such Director draws or receives, directly or indirectly, by way of Fee / Remuneration any such sums in excess of the limits as prescribed, or without prior due sanction, where it is required, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it.

Reimbursement of actual expenses incurred:

NEDs may also be paid/reimbursed such sums either as fixed allowance and / or actuals as fair compensation for travel, boarding and lodging and incidentals, and / or actual out of pocket expenses incurred by such Director(s) for attending Board/Committee Meetings or any responsibility that may be assigned to the Director(s) by the Board in the interest of the Company.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of NEDs.

Payment to Independent Directors:

An Independent Director shall not be entitled to any Stock Option and may receive remuneration only by way of Fees and Reimbursement of expenses for participation in Meetings of the Board or Committees, thereof and profit related Commission up to a certain percentage of Net Profits in such proportion, as may be permissible under applicable laws.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. The Audit Committee shall also review the Policy and suggest amendments to make it responsive and relevant to the changing times. However, no such amendment or modification will be binding on the NEDs unless the same is notified to the NEDs, in writing.

The policy has been last updated/amended by board of directors in their meeting held on May 29, 2025.