PENAL CHARGES POLICY

Prepared by Legal & Compliance Team
SAMPATI SECURITIES LIMITED
2nd Floor, Mrudal Tower, B/h Times of India, Ashram Road, Ahmedabad, Gujarat, India, 380 009

Penal Charges Policy

Summary of Policy

Version	Issue and Effective Date	Review Periodicity	Approving Authority	Policy Owner	Confidentiality level
V1	12.04.2024	As and when require/any change in regulatory requirement	Board of Directors	Legal and Compliance Team	Available in Public
V2	07.02.2025	As and when require/any change in regulatory requirement	Board of Directors	Legal and Compliance Team	Available in Public
V3	03.04.2026	As and when require/any change in regulatory requirement	Board of Directors	Legal and Compliance Team	Available in Public

Details of Last Review

Review Date	Next Review Date	Comments/Remarks/Changes
07.02.2025	April 2025	(i) Reviewed in accordance with the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023
03.04.2026	April 2027	(i) Reviewed in accordance with Reserve Bank of India (Non-Banking Financial Companies - Responsible Business Conduct) Directions, 2025

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1. Introduction:

This policy outlines the framework for levying penal charges on loans provided by Sampati Securities Limited in accordance with the guidelines set forth under Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 and subsequent clarifications/directions issued by the RBI.

The objective of the penal charges is to ensure credit discipline and to enforce compliance with the material terms and conditions of the loan agreement. These charges are not intended to generate revenue above the contracted interest rate, and they will be levied solely for non-compliance with the loan terms.

2. Applicability of Penal Charges:

Penal charges will be applicable in the following scenarios:

- Non-payment of dues on the agreed-upon due date.
- Breaches of any terms and conditions of the loan agreement, including but not limited to, failure to maintain the required balance in the loan account, default in repayment.
- Delays in repayment or partial payment of dues, as defined in the loan agreement.

3. Quantum of Penal Charges:

- The quantum and reason for penal charges shall be clearly disclosed by the NBFC to the customers upfront in the loan agreement and Terms & Conditions/ Key Fact Statement as applicable.
- Penal charges shall be levied in amount as specified in the loan documents.
- Penal charges shall not be expressed as a percentage of interest rate, but as a amount communicated upfront to the borrower.
- The applicable penal charges shall be applied on a daily basis, commencing from the date of default or breach of loan terms, and calculated based on the days past due as indicated in the KFS.
- The methodology for calculation shall be transparent as disclosed in the loan documents.

4. No Capitalization of Penal Charges:

- Penal charges will not be capitalized, meaning that no additional interest will be computed on the penal charges.

5. Levying of Penal Charges:

- Penal charges will be levied only when there is a failure to comply with the significant terms and conditions of the loan agreement.
- These charges will be applied on a daily basis or as per the loan product terms and will be calculated based on the principal amount as provided in the Key fact statement / loan agreement. The charges will not be compounded or capitalized.

6. Board Approval:

This Penal Charges Policy has been formulated and approved by the Board of Directors of Sampati Securities Limited, in line with the RBI Master Directions and our internal compliance requirements. The quantum and terms of the penal charges have been set to ensure fairness and consistency in the application of the policy.

7. Disclosure of Penal Charges:

- The penal charges applicable to the loan account will be clearly disclosed to the borrower in the loan agreement / Key Fact Statement (KFS).
- The penal charges and the reasons for their levying will also be disclosed on our website, under the section on Interest Rates and Service Charges, and made available to the borrower at the time of loan disbursement.

8. Compliance with RBI Guidelines:

- This policy will be reviewed and updated regularly to ensure compliance with the RBI Master Directions on Fair Lending Practice.
- Sampati Securities Limited is committed to maintaining transparency in all matters related to the penal charges and adhering to the principles outlined by the RBI to avoid any form of discrimination or undue penalty imposition.

9. Customer Support:

Any borrower who has concerns or queries regarding the application of penal charges or feels that they have been wrongly charged will be encouraged to contact our Customer Support Team for clarification and resolution.

This Penal Charges Policy is effective from 03.04.2026 and will remain applicable until further amendments or revisions are made in compliance with any changes to RBI regulations or other relevant guidelines.

Approved by:
Board of Directors
Samapti Securities Limited
Date: 03.04.2026

SAMAPTI SECURITIES LIMITED

Conflict of Interest Statement Policy of Sampati Securities Limited

Prepared by Legal & Compliance Team

SAMPATI SECURITIES LIMITED

2nd Floor, Mrudal Tower, B/h Times of India, Ashram Road, Ahmedabad, Gujarat, India, 380 009

Summary of Policy

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03.04.2026	April 2027	(ii) Reviewed in accordance with Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025

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Introduction:

This Conflict of Interest Statement is issued by Sampati Securities Limited (Herein after referred as “SSL”) in compliance with the directives laid down by the Reserve Bank of India (RBI) regarding the management and disclosure of conflicts of interest within the company.

SSL is committed to upholding the highest standards of integrity, transparency, and ethical conduct in all its operations. As a regulated entity under the purview of the RBI, we recognize the significance of identifying, managing, and disclosing any conflicts of interest that may arise in the course of our business activities.

Definition of Conflict of Interest:

A conflict of interest arises when the personal, professional, or financial interests of individuals associated with SSL, conflict or appear to conflict with the interests of the company, its clients, or its stakeholders. Conflicts of interest may arise in various situations, including but not limited to:

- Personal financial interests of directors, officers, or employees.
- Business relationships with related parties.
- Transactions involving potential conflicts between the interests of the company and its clients.
- Receipt of gifts, favors, or other benefits that could compromise objectivity.
- Participation in activities that compete with or detract from the interests of SSL.

Identification and Disclosure:

SSL is committed to proactively identifying and disclosing potential conflicts of interest to relevant stakeholders. We have implemented robust mechanisms for:

- Regularly assessing business activities and relationships to identify potential conflicts.
- Encouraging employees to promptly report any actual or perceived conflicts of interest.
- Maintaining clear channels of communication for stakeholders to raise concerns regarding conflicts of interest.

Management and Mitigation:

Upon identification of a conflict of interest, SSL will take appropriate steps to manage and mitigate the conflict, including but not limited to:

- Implementing internal controls and procedures to prevent conflicts from arising.
- Establishing guidelines for conducting transactions with related parties.
- Providing training and guidance to employees on recognizing and addressing conflicts of interest.
- Where conflicts cannot be fully mitigated, disclosing relevant information to affected parties and seeking their informed consent.

Non-Tolerance Policy:

SSL maintains a zero-tolerance policy towards conflicts of interest that undermine the integrity or interests of the company, its clients, or its stakeholders. Any employee found to be engaged in activities that create or perpetuate conflicts of interest may be subject to disciplinary action, up to and including termination of employment.

Reporting and Review:

SSL regularly reviews its policies, procedures, and practices related to conflicts of interest to ensure their effectiveness and compliance with regulatory requirements. Additionally, all directors, key managerial personnel and senior management personnel are require to submit a conflict of interest statement to the company on annual basis as per the format provided by the company, which shall be laid before the board for review and noting. Further, all employees are encouraged to report any concerns or observations regarding conflicts of interest through established reporting channels which includes reporting of the instances to the chairman of audit committee of the company, without fear of reprisal.

Conclusion:

SSL is committed to maintaining the trust and confidence of its clients, investors, regulators, and the public through transparent and ethical business practices. By adhering to the principles outlined in this Conflict of Interest Statement, we aim to uphold the highest standards of integrity and accountability in all our interactions.

This Conflict of Interest Statement shall be reviewed periodically and updated as necessary to reflect changes in regulatory requirements or business practices.

SAMPATI SECURITIES LIMITED

Annexure - A

Conflict of Interest Declaration Statement (annual)

I, ______________________________ (name), pledge to comply with the conflict of Interest statement of Sampati Securities Limited.

As a director, key managerial personnel/senior management personnel or other interested party, I shall not discuss whether verbally or in writing or vote on any matter in which I have a conflict, or potential conflict of interest, or any interest, which might reasonably appear to be in conflict with the concept of fairness when dealing with the business of the company.

I acknowledge that a conflict of interest or a potential conflict occurs if:

a) I as an individual have a self, monetary, or other interest, either direct or indirect; and/or

b) the Organization/company that I represent may have a financial, administrative, or programmatic interest in issues or transactions under consideration with the company in any manner.

I hereby certify that I have read and understood the Conflict of Interest Policy. I confirm that I will adhere to the Conflict of Interest statement policy that requires me to declare a conflict or potential conflict of interest on a particular issue to the company. In such cases, I shall excuse myself from the board/committee meeting discussions and voting concerning the matter in question.

I further acknowledge that I am obliged to raise any conflict of interest I may be aware of amongst other members of the company or implementing organizations to safeguard the company's reputation and ensure it adheres to ethical standards, and conducts business in a balanced and transparent manner.

In keeping with the above principles and those further stated in the Conflict of Interest Policy, I would like to declare as follows for the current year: (Tick the item that applies)

▫ I do not have any foreseeable conflict of interest that relates to the functions and operations of the company.

▫ I have a conflict of interest.

Describe in brief the nature of the conflict of interest:

Name of the Director/Key Managerial Personnel/Senior Management Personnel:______________________________

SAMPATI SECURITIES LIMITED

Signature:______________________________

Date and Place: ______________________________

Policy on Fit and Proper Criteria for Directors of Sampati Securities Limited

Prepared by Legal & Compliance Team

SAMPATI SECURITIES LIMITED

2nd Floor, Mrudal Tower, B/h Times of India, Ashram Road, Ahmedabad, Gujarat, India, 380 009

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03.04.2026	April 2027	(i) Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025

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1. Introduction

The Reserve Bank of India ("RBI") vide its Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 bearing direction number DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 and any amendments thereof, mandated every Non-Banking Financial Company - Base Layer (NBFC-BL) to put in place a Policy, duly approved by the Board of Directors, for ascertaining the 'fit and proper' status of Directors at the time of their appointment and also on a continuous basis (hereinafter referred to as the "Policy on Fit and Proper Criteria for Directors" / "Policy").

Sampati Securities Limited (the "Company"), being a Non - Banking Financial Company – Base Layer (NBFC-BL), is accordingly required to put such a Policy in place.

Applicability

This Policy on Fit and Proper Criteria for Directors (the "Policy") applies to the individuals to be considered for the position of director on the Board of Sampati Securities Limited (the "Company") and the continuing directors of the Company.

Purpose/Objective

The Objective and purpose of this policy is:

- To lay down fit & proper criteria & process of due diligence for determining the suitability of the Directors on the Board of the Company based on their qualifications, technical expertise, track record, integrity, etc. at the time of their appointment and on continuing basis.

- To frame fit and proper standards and measures for Directors and lay down the internal procedures for its implementation in order to comply with aforesaid RBI Directions.

- To ensure that each director to be appointed or already appointed understands, the fit and proper criteria policy and their obligation to continue to meet the requirements of the policy.

Evaluation of 'Fit and Proper' Criteria

1. The Company, while appointing the directors and at the time of their reappointment, shall ensure that the guidelines mentioned below are followed:

   a. The Company shall undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.

b. The Company shall obtain the necessary declaration and undertaking from the proposed/ existing directors in the format enclosed as Annexure- A.

c. The process of due diligence along with the scrutiny of declarations shall be undertaken by the Nomination and Remuneration Committee at the time of appointment / renewal of appointment of Directors.

d. Based on the information provided in the signed declarations, Nomination and Remuneration Committee shall decide on the acceptance or otherwise of the directors, where considered necessary.

e. The Company shall obtain annually as on 31st March, a simple declaration from the directors that the information already provided has not undergone change and wherever there is any change, requisite details are furnished by them forthwith.

f. The Board of the Company must ensure in public interest that the nominated/elected Directors execute the 'Deed of Covenant' in the format enclosed as Annexure-B.

2. The various 'Fit and Proper' criteria which needs to be reviewed by the Nomination and Remuneration Committee before an appointment of a person as Director or after a person is appointed as Director on continuing basis shall include the following:

a. The minimum qualification should be graduate in any field for considering appointment of the Director.

b. Within the permissible limits in terms of Companies Act, 2013, an independent director shall not be on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time.

c. Whether the Person is qualified to be appointed as Director or not attracting any disqualifications as prescribed under various provisions of Companies Act, 2013 and other applicable rules and regulations

d. Whether any Proceedings have been initiated against the person in the past and /or pending as on date involving any civil, criminal, economic offence, taxation authorities or relating to any other regulatory body such as SEBI, IRDA, MCA etc.;

e. Whether the person or the entities in which he is interested have been subject to any investigation at the instance of any Government Department or Agency;

f. Whether the person or the entities in which the person is interested have been prosecuted / convicted for the violation of any laws and regulations.

g. The person either:

- has no conflict of interest in performing such person's duties as a director on the Board; or
- if the person has a conflict of interest, it would be prudent to conclude that the conflict will not create a ma terial risk that the person will fail to perform such person's duties properly and adequate disclosures are made by the person in this regard.

h. The person shall not hold any Key Managerial Personnel (KMP) position in any other NBFC-Middle Layer or NBFC Upper Layer. It is clarified that the KMP of the Holding Co. can assume directorship in subsidiary.

3. The Nomination and Remuneration Committee will assess and evaluate the eligibility of the person based on the above mentioned Fit and Proper criteria before the appointment or any renewal of appointment of director.

REPORTING

The Company shall provide a quarterly statement to RBI (within 15 days of the close of the respective quarter) on change of Directors, and a certificate from the Managing Director of the Company that fit and proper criteria in selection of the directors has been followed. The statement submitted by the Company for the quarter ending March 31, shall be certified by the auditors as well.

REVIEW/RENEWAL

The Policy shall be reviewed/renewed annually by the Board of Directors or as and when necessary.

SAMPATI SECURITIES LIMITED

Declaration and Undertaking by Director

Name of the NBFC: Sampati Securities Limited

Declaration and Undertaking by Director (with enclosures as appropriate as on ____________)	
I. Personal details of Director	
a. Full Name	
b. Date of Birth	
c. Educational Qualifications	
d. Relevant Background and Experience	
e. Permanent Address	
f. Present Address	
g. E-mail Address/Telephone Number	
h. Permanent Account Number under the Income Tax Act,1961 and name and address of Income Tax Circle	
i. Relevant knowledge and experience	
j. Any other information relevant to the Directorship of the NBFC	
II. Relevant Relationships of Director	
a. List of relatives, if any, who are connected with the NBFC (Refer section 6 and Schedule 1A of the Companies Act, 1956 and corresponding provisions of Companies Act, 2013)	
b. List of entities, if any, in which he/she is considered as being interested (Refer section 299(3)(a) and section 300 of the Companies Act, 1956 and corresponding provisions of Companies Act, 2013)	
c. List of entities in which he/she is considered as holding substantial interest within the meaning of paragraph 5.1.33 of these Directions	
d. Name of NBFC in which he/she is or has been a member of the board (giving details of period during which such office was held)	
e. Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II (b) and (c) above from the NBFC	
f. Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the NBFC or any other NBFC/bank	

III. Records of professional achievements	
a. Relevant professional achievements	
IV. Proceedings, if any, against the Director	
a. If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/occupation at any time	
b. Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations	
c. Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director	
d. Whether the director attracts any of the disqualifications envisaged under section 274 of the Companies Act 1956 and corresponding provisions of Companies Act, 2013?	
e. Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?	
f. Has the director at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/excise/ income tax/ foreign exchange/other revenue authorities? If so, give particulars	
g. Whether the director has at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA.	
(Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in to, it would be necessary to make a mention of the same, in case the reversal/setting aside is on technical reasons like limitation or lack of jurisdiction, etc., and not on merit. If the order of the regulator is temporarily stayed and the appellate/court proceedings are pending, the same also should be mentioned.)	
V. Any other explanation/information in regard to items I to III and other information considered relevant for judging 'fit and proper'	
Undertaking	
I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the NBFC fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.	

I also undertake to execute the Deed of Covenant required to be executed by all the directors of the NBFC.	
Place:	Signature:
Date:	
VI. Remarks of Chairman of Nomination and Remuneration Committee 64 / Board of Directors of NBFC	
Place:	Signature:
Date:	

Annexure - B

Form of Deed of Covenants with a Director of an NBFC

THIS DEED OF COVENANTS is made on this .... day of .... Two Thousand.........................**BETWEEN** .... having its registered office at .... (hereinafter called the "NBFC") of the one part and Mr./Ms. .... of .... (hereinafter called the "Director") of the other part.

WHEREAS

A. The director has been appointed as a director on the Board of Directors of the NBFC (hereinafter called "the Board") and is required as a term of his/her appointment to enter into a Deed of Covenants with the NBFC.

B. The director has agreed to enter into this Deed of Covenants, which has been approved by the Board, pursuant to his said terms of appointment.

NOW IT IS HEREBY AGREED AND THIS DEED OF COVENANTS WITNESSETH AS FOLLOWS:

1. The director acknowledges that his/her appointment as director on the Board of the NBFC is subject to applicable laws and regulations including the Memorandum and Articles of Association of the NBFC and the provisions of this Deed of Covenants.

2. The director covenants with the NBFC that:

(i) The director shall disclose to the Board the nature of his/her interest, direct or indirect, if he/she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between the NBFC and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after he/she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.

(ii)The director shall disclose by general notice to the Board his/her other directorships, his/her memberships of bodies corporate, his/her interest in other entities and his/her interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.

(iii) The director shall provide to the NBFC a list of his/her relatives as defined in the Companies Act, 1956 or 2013 and to the extent the director is aware of directorships and interests of such relatives in other bodies corporate, firms and other entities.

(iv) The director shall in carrying on his/her duties as director of the NBFC:

(a) use such degree of skill as may be reasonable to expect from a person with his/her knowledge or experience;

(b) in the performance of his/her duties take such care as he/she might be reasonably expected to take on his/her own behalf and exercise any power vested in him/her in good faith and in the interests of the NBFC;

(c) shall keep himself/herself informed about the business, activities and financial status of the NBFC to the extent disclosed to him/her;

(d) attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his/ her obligations as director of the NBFC;

(e) shall not seek to influence any decision of the Board for any consideration other than in the interests of the NBFC;

(f) shall bring independent judgment to bear on all matters affecting the NBFC brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct;

(g) shall in exercise of his/her judgement in matters brought before the Board or entrusted to him/her by the Board be free from any business or other relationship which could materially interfere with the exercise of his/her independent judgement; and

(h) shall express his/her views and opinions at Board meetings without any fear or favour and without any influence on exercise of his/her independent judgement;

(v) The director shall have:

(a) fiduciary duty to act in good faith and in the interests of the NBFC and not for any collateral purpose;

(b) duty to act only within the powers as laid down by the NBFC's Memorandum and Articles of Association and by applicable laws and regulations; and

(c) duty to acquire proper understanding of the business of the NBFC.

(vi) The director shall:

(a) not evade responsibility in regard to matters entrusted to him/her by the Board;

(b) not interfere in the performance of their duties by the whole-time directors and other officers of the NBFC and wherever the director has reasons to believe otherwise, he/ she shall forthwith disclose his/her concerns to the Board; and

(c) not make improper use of information disclosed to him/her as a member of the Board for his/her or someone else's advantage or benefit and shall use the information disclosed to him/her by the NBFC in his/her capacity as director of the NBFC only for the purposes of performance of his/her duties as a director and not for any other purpose.

3. The NBFC covenants with the director that:

(i) the NBFC shall apprise the director about:

(a) Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;

(b) control systems and procedures;

(c) voting rights at Board meetings including matters in which Director should not participate because of his/her interest, direct or indirect therein;

(d) qualification requirements and provide copies of Memorandum and Articles of Association;

(e) corporate policies and procedures;

(f) insider dealing restrictions;

(g) constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;

(h) appointments of Senior Executives and their authority;

(i) remuneration policy;

(j) deliberations of committees of the Board, and

(k) communicate any changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of the NBFC, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.

(ii) the NBFC shall disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the NBFC and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof;

(iii) the disclosures to be made by the NBFC to the directors shall include but not be limited to the following:

(a) all relevant information for taking informed decisions in respect of matters brought before the Board;

(b) NBFC's strategic and business plans and forecasts;

(c) organisational structure of the NBFC and delegation of authority;

(d) corporate and management controls and systems including procedures;

(e) economic features and marketing environment;

(f) information and updates as appropriate on NBFC's products;

(g) information and updates on major expenditure;

(h) periodic reviews of performance of the NBFC; and

(i) report periodically about implementation of strategic initiatives and plans.

(iv) the NBFC shall communicate outcome of Board deliberations to directors and concerned personnel and prepare and circulate minutes of the meeting of Board to directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and

(v) advise the director about the levels of authority delegated in matters placed before the Board.

4. The NBFC shall provide to the director periodic reports on the functioning of internal control system including effectiveness thereof.

5. The NBFC shall appoint a compliance officer who shall be a senior executive reporting to the Board and be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of the Reserve Bank and other concerned statutory and Governmental authorities.

6. The director shall not assign, transfer, sublet or encumber his/her office and his/her rights and obligations as director of the NBFC to any third party provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of the NBFC.

7. The failure on the part of either party hereto to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge or compliance thereof at any time or times thereafter.

8. Any and all amendments and/or supplements and/or alterations to this Deed of Covenants shall be valid and effectual, only if in writing and signed by the director and the duly authorised representative of the NBFC.

9. This Deed of Covenants has been executed in duplicate and both the copies shall be deemed to be originals.

IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

For the NBFC	Director	
By..................................		
Name:	Name:	
Title		
In the presence of:		
1.		2.

Compensation Policy for Directors, Key Managerial Personnel and Senior Management Employee

Prepared by Legal & Compliance Team

SAMPATI SECURITIES LIMITED

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1. Introduction

The Company considers human resources to be a critical and valuable resource. This policy on compensation of Directors, Key Managerial Personnel (KMPs) and senior management employees has been formulated in terms of the provisions of the Companies Act, 2013 read along with the applicable rules thereto and Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions,2025 amended amendment made to it from time to time, in order to attract and retain the appropriate talent, pay a fair remuneration to the Directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

2. Objectives

2.1 To formulate the criteria for determining qualifications, competencies, positive attributes, and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel, and other senior management employees.

2.2 To formulate the criteria for evaluation of performance of all the Directors on the Board.

2.3 To lay out remuneration principles for Directors and KMP's linked to their responsibilities, performance and achievement relating to the role fulfilled and in meeting the Company's objectives, overall governance, and goals.

3. Scope

Remuneration & Compensation Policy is applicable to the Board of Directors, Key Management Personnel (KMP) and Senior Management employees of Sampati.

Directors for the purpose of this policy will include:

(i) Independent Directors

(ii) Non-Executive Directors

(iii) Managing Director/Executive Director

KMPs as defined in Section 2 (51) of Companies Act, 2013, and for the purpose of this policy, include:

(iv) the Chief Executive Officer or the Managing Director;

(v) the Company Secretary;

(vi) the Whole-time Director;

(vii) the Chief Financial Officer; and

(viii) such other officer as may be prescribed

4. Constitution of the Nomination and Remuneration Committee

The Board has constituted the "Nomination and Remuneration Committee" of the Board which is in line with the requirements under the Companies Act, 2013 ("Act"). The Board has authority to reconstitute this Committee from time to time.

5. Definitions

5.1 'Board' means Board of Directors of the Company.

5.2 'Directors' means Directors appointed to the Board of the Company.

5.3 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act.

5.4 'Company' means Sampati Securities Limited.

5.5 Clawback means a contractual agreement between the employee and the regulated entity in which the employee agrees to return previously paid or vested remuneration to the entity under certain circumstances.

5.6 'Independent Director' means a Director referred to in Section 149 (6) of the Companies Act, 2013 and rules.

5.6 'Key Managerial Personnel (KMP)'means-

(i) the Managing Director or the Chief Executive Officer and in their absence a Whole-time

Director.

(ii) Company Secretary; and the Chief Financial Officer

(iii) Any other person as defined under Companies Act 2013 from time to time.

5.7 Senior Management shall mean the employees designated as "Head of the Department (HOD)" excluding Board of Directors and including key managerial personnel as per Companies Act or such other person as may be specified. The Committee would review the definition annually depending on the organization structure of the Company.

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

6. Policy

I. Policy for appointment and removal of Director, KMPs and Senior Management

Appointment criteria and qualifications

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

(ii) A person to be appointed as Director or KMP should possess adequate qualification, expertise, and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

(iii) A person, to be appointed as a director, should possess impeccable reputation for integrity, deep expertise, and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.

(iv) The Company shall not appoint or continue the employment of any person as Managing Director/ Executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond Seventy years as the case maybe.

(v) A whole time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a director in any company, with the permission of the Board of Directors of the Company.

Term / Tenure

- **Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. Re-appointment shall be made before the expiry of term, based on an evaluation of the performance for a minimum period of three years.

- **Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms as per the Companies Act, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company. Further an independent director shall not be on the Board of more than three NBFC(NBFC-ML or NBFC-UL) as the same time.

▫ **Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

▫ **Retirement**

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

II. Remuneration to Directors and Key Managerial Personnel

A. Remuneration to Managing Director / Whole-time Directors:

The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director /Whole-time Directors.

B. Remuneration to Non- Executive / Independent Directors:

The Non-Executive / Independent Directors may receive sitting fees, commission and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees, commission and such other remuneration may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination Remuneration and Compensation Committee and approved by the Board of Directors or shareholders, as the case may be.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.

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

C. Remuneration to Key Managerial Personnel and Senior Management:

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

The NRC/ administrator appointed by Board for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.

The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time. The variable pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

The Board may at their discretion decide on claw back of variable pay paid on earlier for any years to Executive Director, KMP's, senior management relating to separation before pre agreed periods and/for any clause , as per Company Policy.

D. The Remuneration to the directors and key managerial personnel shall be in line with the limits prescribed under provisions of the Companies Act, 2013 and rules made there under.

E. The Committee shall periodically review the remuneration payable to the directors and key managerial personnel and recommend any revision thereof on the basis of financial condition of the Company and performance of the director or key managerial personnel.

F. Loan and advances to directors, key managerial personnel, and senior management:

The Committee shall review and approve the loans and advances to directors in line with the requirements of provisions of Companies Act, 2013 and rules made there under. Loan and advances to key managerial personnel and senior management should be as per the Company's policy.

7. Modification and Amendment

This policy is subject to modification and amendments from time to time as recommended by NRC and approved by the Board.

The custodian of this policy is Head- Human Capital.

SAMPATI SECURITIES LIMITED