RAJKOT INVESTMENT TRUST LIMITED

POLICY ON CRITERIA FOR MAKING PAYMENT TO INDEPENDENT DIRECTORS

1. PREAMBLE

This Policy on Criteria for Making Payment to Independent Directors ("Policy") is framed in accordance with:

- Companies Act, 2013;
- Schedule IV of the Companies Act, 2013;
- Section 149, Section 197 and other applicable provisions of the Companies Act, 2013;
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable;
- RBI Guidelines applicable to NBFCs;
- Other applicable laws and regulations.

The Company recognizes the significant role played by Independent Directors in ensuring sound corporate governance, protecting stakeholder interests and providing objective judgment in Board deliberations.

2. OBJECTIVE

The objectives of this Policy are:

a) To establish transparent criteria for payment of remuneration to Independent Directors;

b) To ensure that remuneration is fair, reasonable and commensurate with responsibilities;

c) To attract and retain competent Independent Directors;

d) To comply with applicable legal and regulatory requirements.

3. APPLICABILITY

This Policy shall apply to all Independent Directors appointed on the Board of the Company.

4. GUIDING PRINCIPLES

The remuneration payable to Independent Directors shall:

- Reflect the responsibilities and commitments undertaken;

- Be reasonable and sufficient to attract qualified professionals;
- Not compromise the independence of Independent Directors;
- Comply with statutory limits and shareholder approvals wherever required;
- Be aligned with long-term interests of the Company.

5. COMPONENTS OF REMUNERATION

Independent Directors may be paid remuneration through the following modes:

A. Sitting Fees

The Company may pay sitting fees for attending:

- Board Meetings;
- Committee Meetings;
- Independent Directors' Meetings;
- Other meetings authorized by the Board.

The amount of sitting fees shall be determined by the Board from time to time within the limits prescribed under the Companies Act, 2013.

The sitting fees payable to Independent Directors shall not be lower than that payable to other Non-Executive Directors.

B. Commission

Subject to:

- Applicable provisions of the Companies Act, 2013;
- Approval of shareholders wherever required;
- Availability of profits and statutory limits;

the Company may pay commission to Independent Directors.

The aggregate commission payable shall be within the limits prescribed under applicable law.

C. Reimbursement of Expenses

Independent Directors shall be entitled to reimbursement of actual expenses incurred for:

- Travel;
- Boarding and lodging;

- Local conveyance;
- Participation in Board and Committee meetings;
- Training and familiarisation programmes;
- Other business-related expenses authorized by the Company.

D. Professional Fees

Where permitted by law and approved by the Board, Independent Directors may receive professional fees for services rendered in a professional capacity, provided such engagement does not affect their independence.

6. FACTORS FOR DETERMINING REMUNERATION

The Board shall consider the following factors while determining remuneration:

A. Responsibilities Undertaken

- Membership of Board Committees;
- Chairmanship of Committees;
- Additional governance responsibilities;
- Regulatory oversight responsibilities.

B. Time Commitment

- Number of Board Meetings attended;
- Number of Committee Meetings attended;
- Time devoted to Company matters outside meetings.

C. Expertise and Experience

- Professional qualifications;
- Industry expertise;
- Contribution to strategic decisions;
- Governance experience.

D. Company Performance

- Financial performance;
- Operational performance;
- Long-term value creation;

- Regulatory environment.

E. Market Practices

- Industry benchmarks;
- Peer group practices;
- Prevailing market standards.

7. PROHIBITION ON STOCK OPTIONS

In accordance with Section 149(9) of the Companies Act, 2013, Independent Directors shall not be entitled to:

- Employee Stock Option Plans (ESOPs);
- Stock appreciation rights;
- Equity-linked incentives; or
- Any remuneration that may compromise their independence.

8. SHAREHOLDER APPROVAL

Where required under applicable laws, payment of commission or any remuneration beyond prescribed limits shall be subject to approval of shareholders.

9. DISCLOSURE

The Company shall make disclosures regarding remuneration paid to Independent Directors in:

- Annual Report;
- Financial Statements;
- Corporate Governance Report, where applicable;
- Website disclosures, where required by law.

10. REVIEW OF POLICY

This Policy shall be reviewed periodically and at least once every year or whenever required due to changes in applicable laws or regulations.

11. AMENDMENTS

The Board of Directors may amend this Policy from time to time in accordance with applicable laws and regulatory requirements.

12. EFFECTIVE DATE

RAJKOT INVESTMENT TRUST LIMITED

This Policy shall come into effect from the date of approval by the Board of Directors and shall remain in force until modified or replaced by the Board.