

POLICY FOR SELECTION OF DIRECTORS



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A. OBJECTIVE

The objective of this Policy is to promote an optimal structure of the Board of Directors of Nucleus Software Exports Ltd. (the Company), to encompass varied expertise, diversity and independence.

B. DEFINITIONS

1. **"The Policy"** means Policy for selection of Directors of the Company.
2. **"The Board"** means Board of Directors of the Company.
3. **"The Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
4. **"The Committee"** means the Nomination and Remuneration/Compensation Committee of the Company as constituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.
5. **"Directors"** means Directors of the Company
6. **"Independent Director"** means a Director appointed as such in accordance with the requirements laid down by the Companies Act, 2013 and applicable rules and regulations of the Listing Agreement, including amendments thereto.

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

C. RESPONSIBILITY FOR SELECTION

The Board has established a Nomination and Remuneration/ Compensation Committee (the Committee) to assist in fulfilling its responsibilities relating to the size and composition of the Board. The Committee is responsible for evaluating suitable candidates, for making appropriate recommendations to the Board and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company.

D. PROCEDURE FOR NOMINATION, SELECTION AND APPOINTMENT OF DIRECTORS

1. Board Initiation

The Board shall continuously assess its current and requisite strengths and enumerate the desired composition of the Board in line with the Company's strategic priorities. The Board shall interact with the Committee when ever there is a need for induction of new Director/s and shall highlight the attributes of the desirable candidate.

2. Selection Procedure

The Committee shall follow the process as outlined below for shortlisting suitable candidates for appointment as new Directors on the Board:

- a. The Chairman of the Committee, in consultation with its members, shall prepare the candidate profile.
- b. The Board members may suggest some potential candidates. The Chairman of the Committee may seek external professional advice for developing a list of potential candidates for Directorship.
- c. Profiles of the shortlisted potential candidates shall then be examined by the Committee. The Committee, while evaluating the potential candidates, shall consider a variety of personal attributes, including experience, intellect, foresight, judgment and transparency, and match these with the requirements set out by the Board. While screening the potential candidates, the Committee shall necessarily consider the following:

- (i) Qualifications, skills and experience
 - (ii) Potential contribution of the candidate to the Board /Company
 - (iii) Time commitment that the candidate can provide
 - (iv) Independence of the candidate in case he/she is being appointed as an Independent Director.
- d. After review and interviews, the Committee shall recommend a candidate/s to the Board for its approval
 - e. The Board shall discuss the Committee's proposal and either approve the same or request it to find some more candidates.
 - f. Before final appointment, the final shortlisted candidates may also be requested to come for a meeting with the Board members.
 - g. The proposed candidate shall also be required to fulfill the requirements as may be prescribed under the Act, Listing Agreement and other relevant laws.
 - h. The selected candidate shall then be appointed as an Additional Director, subject to ratification by the shareholders.
 - i. A formal appointment letter shall be issued by the Company to each new Director, which shall set out the key terms of appointment

E. TERM/TENURE OF A DIRECTOR

1. Managing Director/Whole-Time Director

The Board shall appoint any person as a Managing Director and CEO or Whole-Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term

2. Independent Director

An Independent Director shall hold office for a term upto 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.

No Independent Director shall hold office for more than two consecutive terms, 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.

3. Retirement

No person shall be nominated or continue to serve as a 'Director' after he or she has passed his or her 75th Birthday.

F. POLICY REVIEW

This Policy is purely at the discretion of the Nomination and Remuneration/Compensation Committee and it reserves its right to recommend modifications in this Policy to the Board, as per applicable laws and regulations, at any time without assigning any reason whatsoever.