POLICY FOR BOARD AND SENIOR MANAGEMENT APPOINTMENT

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A: OBJECTIVE.

The objective of this policy is to achieve an optimal structure of the Board of Directors for Nucleus Software Exports Limited (the Company) , to include varied expertise, diversity and independence to view issues without prejudice or bias and to set standards for Members of Senior Management who should have the capacity and ability to lead the Company.

B. DEFINITIONS.

1. “COMPANY” means Nucleus Software Exports Limited.
2. “DIRECTORS” means Directors of the Company;
3. “INDEPENDENT DIRECTOR” means a Director appointed in accordance with the requirements laid down by the Companies Act 2013 and the Rules and Regulations thereunder and the Listing Regulations and amendments thereto.
4. “KEY MANAGERIAL PERSON” (KMP) means.
    - Chief Executive Officer or Managing Director or the Manager
    - Whole Time Director
    - Chief Financial Officer
    - Company Secretary
5. “SENIOR MANAGEMENT**”** shall be as defined under Regulation 16(1) (d) of Listing Regulations.
6. “The ACT” means the Companies Act, 2013 and Rules and Regulations thereunder, as amended from time to time;
7. “The BOARD” means the Board of Directors of the Company;
8. “The COMMITTEE” means the Nomination and Remuneration/Compensation Committee of the Company as constituted by the Board in accordance with the Act, Rules, Regulations and the obligations under the Listing Regulations and
9. “The POLICY” means the Policy for the constitution of the Board of the Company.

C: RESPONSIBILITY FOR CONSTITUTION OF THE BOARD:

1: The Board is responsible for the constitution of the Board consisting of suitable candidates for making up the Board of Directors of the Company.

2: The Board shall be the appointing authority of a Director on the Board of the Company.

D: PROCEDURE FOR NOMINATION, SELECTION AND APPOINMENT OF A DIRECTOR:

1: Board Initiation:

The Board shall continually assess its current and requisite strengths and decide on the desired composition of the Board in line with the Company’s requirement. The Board shall inform the Committee whenever the Board needs to induct Director/s.
The Board may also request the Committee to propose candidates for induction on the Board.

2 (a): Selection Process of Directors:

i: The Committee shall receive a request for the appointment of a Director to the Board.

ii: The Committee shall prepare profiles of the candidates furnished by the Board.

iii: The Committee may seek external professional assistance to gather information on the proposed candidates, if deemed necessary.

iv: The data and information on the candidates being considered shall be examined by the Committee to ascertain if they possess the attributes that the Board had envisaged.

v: Screening of proposed candidates require the Committee to cover:

1. Qualifications, experience and skills.
2. Potential contribution the candidate can bring to the Board.
3. The time the candidate can give for Board work.
4. The extent of independence that can be exercised by the candidate being considered to act as an Independent Director; and
5. The candidate conforms to the requirements of the Act, Rules, Regulations and obligations of the Listing Agreements.

vi: The Committee may interview the candidate, if it deems fit.

vii: The Committee, after evaluating the material it has gathered shall forward its recommendation. to the Board.

viii: Upon receipt of the recommendation of the Committee, the Board may accept the recommendation wholly or partly and where it is at a variance from the Committee's recommendation, it shall return the same to the Committee for reconsideration and accord reasons for the same.

In addition to the above criteria, the Company may also refer "*Board Diversity Policy.*"

2 (b): Selection Process of Senior Management

The Committee/Company may consider following criteria for assessing prospective candidates for a Senior Management position:

i. highest levels of personal and professional ethics and integrity.

ii. demonstrable leadership skills; managerial abilities such as effective communication skills, people engagement, team player, strategic thinking, cultural diversity etc.

iii. specialist knowledge and/or experience required for the Senior Management position in question.

iv. sharing and demonstrating the values of the Company.

In case of any vacancy in Senior Management positions, the Executive Directors shall identify and short list employees to fill such vacancy; based on above criteria prescribed by the Committee. Senior Management Personnel shall be appointed by the Company as per Company policies.

E: APPOINTMENT OF A DIRECTOR.

1: A candidate recommended by the Committee and accepted by the Board shall be appointed as an Additional Director, subject to ratification by the shareholders. After such a ratification, the Additional Director shall be designated as a Director, Whole-Time or Independent, as the case may be.

2: Appointment of a candidate as an Additional Director shall be through a letter that shall set out the terms of appointment and the duties and functions expected to be carried out by a Director.

F: TERM/TENURE OF A DIRECTOR:

1: Managing Director/Whole-Time Director/Chief Executive Officer:

The Board shall appoint any person as a Managing Director, Chief Executive Officer or Whole-Time Director for a term not exceeding five years at a time.

2: Independent Director:

An Independent Director shall hold office for a term of five successive years and will be eligible for re-appointment on passing of a special resolution.

No Independent Director shall hold office for more than two consecutive terms. An Independent Director having completed two consecutive terms shall be eligible for consideration after the expiry of a period of three years provided the person has not been appointed or associated with the Company in any capacity directly or indirectly.

G: RETIREMENT:

1: Every Director shall retire upon attaining the age of 75 years.

2: A Director may retire from serving on the Board by giving a notice of three months.

3: The Board may at its discretion retire a Director, if such a Director has been convicted by a court of law or has acted in a manner that is contrary to the interest of the Company after allowing the said Director to explain the action leading to considering retirement by the Board.

H: REMOVAL

Due to reasons of any disqualification mentioned in the Act or any other applicable law, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director/ KMP subject to the provisions and compliance of the said Act, laws, rules and regulations.

Removal of Senior Management shall be as per Company's policies and process.

I: 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.