



**NUCLEUS
SOFTWARE**

NUCLEUS SOFTWARE EXPORTS LTD.

CIN : L74899DL1989PLC034594

Corporate Office

A-39, Sector-62, Noida,
Uttar Pradesh, 201307. India.

T.: + 91 . 120 . 4031 . 400

F.: +91 . 120 . 4031 . 672

E.: nsl@nucleussoftware.com

W.: www.nucleussoftware.com

<Date>

<Name of the Director>,
<Add. Of the Director>

Dear Mr./Ms.

Sub: Your Appointment as an Independent Director

The newly enacted Companies Act 2013 and the recent amendments by SEBI to the Listing Agreement require that a Company should issue appointment letters to all its Independent Directors.

In fulfillment of the requirements of the revised law, we are pleased to issue this appointment letter to you.

Kindly return the duplicate copy of this letter, and the Terms of Appointment, duly signed by you in confirmation.

We look forward to your continued support and guidance

Yours sincerely

For Nucleus Software Exports Ltd.

Chairman of the Board

Regd. Office

33-35 Thyagraj Market, New Delhi, 110003. India.

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Terms of Appointment

This appointment is subject to all necessary legal and regulatory approvals.

A. Term of Office

You shall hold office as an Independent Director of the Company subject to approval of shareholders in the next Annual General Meeting (AGM) of the Company. The Resolution for confirmation of your office of Directorship shall be placed for approval before the shareholders at the same AGM.

You shall hold office for a term of five years from the date of appointment by the Board and shall not be liable to retire by rotation as per the relevant provisions of The Companies Act, 2013 and Listing Agreement. At the end of the term of five years, you may be eligible for re-appointment for another term of five years, on the basis of performance evaluation and subject to the provisions of the extant applicable laws.

Your term shall automatically expire if you become prohibited by law from holding the position of an Independent Director. Subsequently, you shall also resign from all offices which you may be holding as or by virtue of being a Director of the Company.

B. The Board's expectations from you as an Independent Director are broadly classified as below:

1) PROFESSIONAL CONDUCT

As an Independent Director of the Company, you shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising your duties;
- c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) not allow any extraneous considerations that will vitiate his exercise of objective Independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f) not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g) refrain from any action that would lead to loss of your independence;
- h) where circumstances arise which make you as an Independent Director lose your independence, you must immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices

2) ROLE AND FUNCTIONS

As an Independent Director of the Company, you shall:

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- a) help in bringing an Independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and conduct;
- b) bring an objective view in the evaluation of the performance of board and management;
- c) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) determine appropriate levels of remuneration of Executive Directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive Directors, key managerial personnel and senior management;
- h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

3) DUTIES

As an Independent Director of the Company, you shall:

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- d) participate constructively and actively in the committees of the Board in which you are a chairperson or a member;
- e) strive to attend the general meetings of the Company;
- f) ensure that your concerns about the running of the Company or a proposed action are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) keep yourself well informed about the Company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- j) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l) acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
- n) not engage in any activity/ies that is not expected from you as an Independent Director

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BOARD COMMITTEES

In addition to being a member of the Board, you may be nominated to serve on one or more Committees of the Board, which shall require additional time commitment. Your nomination shall be decided by the Board of Directors and will be communicated accordingly to you.

C. Liabilities that accompany along with the above-mentioned duties

As an Independent Director, you shall be liable only for such acts of omission or commission by the company that have or had occurred with your knowledge, attributable through board processes, and with your consent or connivance or where you have or had not acted diligently.

D. Provision for Directors and Officers (D & O) Insurance

The Company has obtained a Directors' & Officers' Liability Insurance Policy for you. Details of the same can be obtained from the Company Secretary.

E. Code for independent Directors, Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading for Employees, including Directors

You are required to abide by the Code for Independent Directors, Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading for Employees, including Directors, as issued by the Company.

Further, as per the Code of Conduct for Prevention of Insider Trading for Employees, including Directors, Directors are prohibited from dealing in the Company's shares during trading window closure periods. The Directors are also required to get their trades pre-approved from the Corporate Governance Committee of the Board, through the Company Secretary.

F. Performance Evaluation of Independent Directors

- a) The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated, at a time period as decided by the Board.
- b) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue your term of appointment.

G. Separate Meetings of the Independent Directors

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of management. As an Independent Director, you shall strive to be present at such meeting; attendance being mandatory for at least one of such meetings.

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H. Resignation or Removal

The resignation or removal of an Independent Director of the Company shall be in a manner as provided in The Companies Act 2013.

- a) You may resign from your office by giving a notice in writing to the Company. The Board shall on receipt of such notice take note of the same.
- b) On resignation, you shall also forward a copy of your resignation along with detailed reasons for the resignation to the Registrar of Companies within thirty days of resignation in such manner as has been prescribed.

I. Conflict of interest

By accepting this appointment, you will be deemed to have confirmed that any other position you hold including your Directorships in other organizations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to notify the Company Secretary.

J. Disclosures

You shall be required to submit certain information in the prescribed forms on a defined periodicity. The Company Secretary shall be the coordinating officer for this.

K. Remuneration

You shall be paid a sitting fee for attending the Board as well as the Committee meetings, as per The Companies Act, 2013 and as mandated by the Articles of Association of the Company.

In addition, you may be paid an amount not exceeding one percent of the net profits of the Company to be equally divided amongst all non-executive Directors, in terms of The Companies Act 2013 applicable provisions and as approved by the shareholders at a General Meeting.

The Company shall reimburse you all traveling, hotel, and other incidental expenses properly and reasonably incurred by you in performance of duties as per provisions of The Companies Act, 2013 in conjunction with the Company rules and policies.

Please note that you shall not be:

- a) covered by any pension scheme or defined benefit pension scheme
- b) entitled for any ESOP's of the Company or any severance package.

L. Training of Directors

Training and development activities are highly recommended and promoted by the Company. For the Directors, being at the senior most level in the organization structure, the Company recognizes that it is in its best interests to facilitate them to acquire adequate and relevant knowledge, to enable them to perform a more meaningful role. To facilitate this continuous learning process, the Company has a well instituted policy for training of Directors. The policy may be obtained from the Company Secretary.

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M. Confidentiality

All information acquired by you during your tenure as a Director shall be treated as confidential by you and shall not be used by you, except for the benefit of the Company or in compliance of any law, regulation, either during your tenure or after cessation of your Directorship.

Following the cessation of this appointment, you shall deliver to the Company all documents (including copies) relating to the Company (including without limitation all documents prepared by you) in your possession.

Your attention is drawn to the requirements under various regulations regarding use or disclosure of price sensitive information. You shall avoid making any statements that might risk a breach of these requirements.

N. Consequences on failure to meet criteria of Independence

In case you fail to meet any of the criteria of Independence as per The Companies Act 2013, rules thereof or related clauses of the Listing Agreement entered into with the Stock Exchanges where the Company is listed or any other regulatory laws or provisions, you shall cease to remain as an Independent Director of the Company.

This is a contract for services and is not a contract of employment.

Chairman
Nucleus Software Exports Ltd.

Accepted

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