

POLICY FOR BOARD DIVERSITY



A. OBJECTIVE

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Board of Directors of Nucleus Software Exports Limited ('the Company')

The Policy has been devised pursuant to Listing Regulations, by Nomination and Remuneration/Compensation Committee (the "Committee") of the Board and approved by the Board of Directors.

B. DEFINITIONS

1. **"Directors"** means Directors of the Company
2. **"Independent Director"** means a Director appointed as such in accordance with the requirements laid down by the Companies Act, 2013 and applicable rules and Listing Regulations, including amendments thereto.
3. **"The Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
4. **"The Board"** means Board of Directors of the Company.
5. **"The Board Committee"**, means any committee constituted by Board of Directors of the Company.
6. **"The Company"** means Nucleus Software Exports Limited
7. **"The Committee"** means the Nomination and Remuneration Committee of the Company as constituted by the Board, in accordance with the Act and applicable listing regulations.
8. **"The Policy"** means Policy for Board Diversity.

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. SCOPE OF POLICY

The Policy applies to the Board. It does not apply to diversity in relation to employees of the Company.

D. POLICY STATEMENT

A diverse Board will enhance the decision making of the Board by utilizing the difference in skills, experience and background, industry experience, ethnicity, gender, knowledge and length of services, and other distinguishing qualities of the members of the Board. The Company recognises the benefits of having a diverse Board, an essential element in supporting the attainment of its strategic objectives and to achieve a sustainable and balanced development.

The Board has established a Nomination and Remuneration 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.

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) Appropriate mix of diversity, skill 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.

The Board shall have optimum combination of executive, non-executive and independent Directors in accordance with the requirements of Companies Act 2013, Listing Regulations, Articles of Association and other applicable regulations.

E. MECHANISM FOR EVALUATING BOARD & BOARD COMMITTEE

The Committee is responsible for developing a framework for the evaluation of each of the Director, including Chairperson of the Board and its Committees. As a part of performance evaluation, the Committee shall consider the balance of skills, experience, independence and knowledge of members on the Board and the diversity representation of the Board, including gender.

The Board, along with the Committee, shall finalize the criteria for evaluation of the performance of all Directors. Each Board member will evaluate the other Directors on such parameters, including the effectiveness of the Board dynamics and skills to encourage discussions and decisions and flow of information to address issues relating to the Company's performance and future strategies, as also improving relationships with all stakeholders of the Company.

Specifically, for Independent Directors, the key performance indicators based on which they are to be evaluated, besides their attendance in the Board/Committee meetings, shall include monitoring of the Company's Corporate Governance practices, improving policies and processes across all functions, and contribution to strategic planning.

The evaluation shall be conducted annually. The evaluation criteria for the Board, the Board Committees and its Directors may be changed any time by the committee. The evaluation can be conducted by the Committee internally or with the help of outside experts.

The Directors' Report to the Members of the company shall include a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Board Committees and Individual Directors.

F. MONITORING AND REPORTING

The Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy.

G. REVIEW OF THIS POLICY

This Policy is purely at the discretion of the Nomination and Remuneration Committee, and it reserves its right to recommend modifications in this Policy to the Board for consideration and approval, at any time without assigning any reason whatsoever.