



## Newgen Software Technologies Limited

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*Letter no. 01/ID Appointment/ NSTL dated August 20, 2018*

To,  
**Mr. Saurabh Srivastava**  
**DIN: 00380453**  
C 482, Defence Colony,  
New Delhi - 110024

Dear Sir,

**Sub.: Appointment as a Non-executive Independent Director**

We are pleased to inform you that your appointment as an Independent Director on the Board of Newgen Software Technologies Limited (hereinafter referred as “Newgen” or “the Company”) by the Board of Directors of the Company with effect from 30<sup>th</sup> August, 2017, has been approved by the Shareholders of the Company at the 26<sup>th</sup> Annual General Meeting held on 9<sup>th</sup> August, 2018. This letter sets out the main terms of your appointment as a Non-Executive Independent Director on the Board of the Company.

**1. TENURE OF OFFICE:**

- 1.1** In accordance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, you have been appointed as an Independent Director on the Board of Newgen Software Technologies Limited for an initial term of 5 (five) years i.e. from 30<sup>th</sup> August, 2017 up to 29<sup>th</sup> August, 2022. You may be re-appointed as an Independent Director by the Shareholders of the Company in a General Meeting for another term of 5 (five) consecutive years as per the provisions of Companies Act, 2013. In Compliance with the terms of Section 149 of the Companies Act, 2013, your directorship is not subject to retirement by rotation.
- 1.2** You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board through the Chairman or the Company Secretary. Your appointment may also be terminated in accordance with the provisions of the Companies Act and the Articles of Association of the Company.

**2 COMMITTEE MEMBERSHIP:**

- 2.1** The Board of Directors may, if it deems fit, invite you for being appointed in one or more existing Committees or any such Committees of the Company that may be set in the future. Your appointment in such Committees shall be subject to the applicable regulations.
- 2.2 Separate Meetings:**  
As provided in Schedule IV of the Companies Act, 2013 you, as Independent Director, should



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strive to hold and present in at least one meeting in a year without the presence of non-independent directors and members of management with the sole objective to:

- a) Review the performance of non-independent directors and the Board as a whole;
- b) Review the performance of the Chairperson taking into account the views of executive directors and non-executive directors;
- c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **3 COMMITMENTS:**

#### **3.1 Independent Director:**

As a Non-Executive Independent Director, you are expected to bring objectivity and Independence to the Board's discussion and help provide the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuing high standards of financial performance and Corporate Governance.

You will be expected to attend the meetings of the Board, Committees and General Meetings and to devote sufficient time as required by you to discharge your duty effectively. Ordinary, all the meetings of the Company are held in Delhi.

#### **3.2 The Company:**

By accepting this appointment, you will confirm that you are in a position to allocate sufficient time to meet the expectations of your roles to the satisfaction of the Board. The Company will train, time to time, its Board members in the business model of the Company as well as the risk profile of the business parameters of the Company and their responsibilities as directors.

### **4 INSURANCE:**

- 4.1 The Company shall procure suitable directors & officer's liability insurance coverage for the Independent Directors in respect of claims or liabilities resulting from his actions or omissions in connection with the Directorship, to the extent permitted by applicable law, including under or pursuant to the Act. Such indemnification shall not extend to any negligence, default, misfeasance, breach of duty or breach of trust in relation to the Company, and any such insurance coverage shall be subject to the provisions of the Act.

### **5 CODE OF CONDUCT, FUNCTIONS AND DUTIES:**

- 5.1 You will be expected to perform your duties, whether statutory, fiduciary or common law faithfully, efficiently and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience. You will have the entire usual duties of an Independent director under the Company law, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules thereof including attendance at board meetings, committee meetings, the annual general meeting, meetings of independent directors, meetings with investors and shareholders and other Board events such as site visits, together with such additional duties as may be agreed by the Board, and which may relate to the business of the Company or any other member of the Group. It is expected that you will familiarize yourself with the relevant Directors Duties, roles and responsibilities as set out in Annexure - I.



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5.2 This is to inform you that in terms of Section 149(7) and Schedule IV of Companies Act, 2013, it is mandatory for all Independent Directors to adhere with the Code of Conduct of the Company. The said Code has been prescribed under Schedule IV of the Companies Act, 2013, as amended from time to time.

5.3 You are required to comply with the Company's "Code of Conduct to Regulate and monitor trading" (the "code"). This code inter-alia prohibits the Directors from dealing in the shares of the Company during the period when the trading window is closed.

### **6 LIABILITY:**

6.1 As an independent director, you will be liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

### **7 MEMBERSHIP ON OTHER BOARDS & CONFLICT OF INTERESTS:**

7.1 It is accepted and acknowledged that you may have business interest, membership other than those of the Company. As a condition to your appointment, you are required to declare any such directorships, appointments and interest to the Board in writing in the formats prescribed under the Companies Act; from time to time. 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. If you become aware of any conflict or potential conflict during your appointment, you are expected to notify the Chairman or the Company Secretary and the same shall be placed in the Board meeting held after such notification.

7.2 It is expected that you will not serve on the Board of competing companies. Apart from the applicable laws and good corporate governance practice, there are no other additional limitations.

7.3 You shall be required to submit certain information in the prescribed forms on a defined periodicity and the Company Secretary shall be the coordinating officer for the same. You are required to disclose to the Company your interests and any matters (excluding those matters which may be subject to legal professional privilege) which affect your independence.

7.4 During your tenure as an independent director, you are required to give a declaration that you meet the criteria of independence every financial year as provided under Section 149 of the Companies Act, 2013 and other Disclosure, time to time, as required under Companies Act, 2013 and rules made thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **8 FEES & COMPENSATION:**

8.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You shall be paid a sitting fee of Rs. 1,00,000 (Rupees One Lakh) for attending each meeting of the Board and Committee thereof. The Board may revise the aforesaid fee in accordance with the provisions of the Companies Act, 2013.

8.2 The Company shall reimburse all travelling, hotel, and other incidental and related expenses



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properly and reasonably incurred by you in performance of duties of the Company as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

- 8.3** As an Independent Director, you shall not be entitled to any stock option and shall not be covered by any pension scheme.

### **9 CONFIDENTIALITY AND ACCESS TO COMPANY RECORDS:**

- 9.1** Under the provisions of the Company law, Directors have a right of access to Company's documents and records, including financial records and to any employee of the Company. Any confidential information which may come to your knowledge in the performance of your duties as a director of the Company must not be divulged, except so far as-

- a) May be necessary in connection with the proper performance of your duties towards the Company
- b) The Company may, from time to time authorize you to disclose such information as may be required by you with the condition that you will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company; or
- c) You may be mandated by law to disclose the same.

### **10 EVALUATION MECHANISM:**

- 10.1** As prescribed in Section 149 and Schedule IV of the Companies Act, 2013, the evaluation mechanisms for performance of Independent Director shall be as follow:

1. The Nomination and Remuneration Committee shall formulate the criteria for evaluation of performance of Independent Directors and Board of Directors.
2. The performance evaluation of Independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
3. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Your performance as an Independent Director will be reviewed during your tenure with the Company in accordance with process agreed by the Board from time to time in conformity with the Schedule IV of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **11 SEVERABILITY:**

- 11.1** If any provision of this Appointment Letter or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent for any reason including by reason of any law or regulation or government policy or any amendment thereof, the remainder of this letter and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this letter shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of this letter shall be replaced with a provision, which is valid and

enforceable and most nearly reflects the original intent of the unenforceable provision.

**12 APPLICABLE LAW:**

- 12.1** This letter of appointment shall be governed by, and construed and enforced in accordance with the laws of India.

Kindly confirm your consent to the terms set out above / by signing the endorsement on the enclosed copy of this. Please return the copy to the Company or Board at the above address. In returning this letter duly signed, you agree that the Company may make this letter publicly available, as required under the Companies Act, 2013.

We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

Yours sincerely  
**For Newgen Software Technologies Limited**

**Sd/-**  
**Diwakar Nigam**  
**Chairman & Managing Director**  
**DIN: 00263222**

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SCHEDULE IV  
[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

**A. PROFESSIONAL CONDUCT**

As an Independent Director of the Company, you shall:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising his duties;
3. Exercise his responsibilities in a *bona fide* manner in the interest of the company;
4. Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. 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;
6. Not abuse his 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;
7. Refrain from any action that would lead to loss of his independence;
8. Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. Assist the company in implementing the best corporate governance practices.

**B. ROLES AND FUNCTIONS**

The Independent Directors shall:

1. 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 standards of conduct;
2. Bring an objective view in the evaluation of the performance of board and management;
3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. Safeguard the interests of all stakeholders, particularly the minority shareholders;
6. Balance the conflicting interest of the stakeholders;
7. 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;
8. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.



## C. 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 behavior, 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; and
- 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.