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## **INTRASOFT TECHNOLOGIES LIMITED**

**CIN: L24133MH1996PLC197857**

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## **DIRECTORS APPOINTMENT & EVALUATION POLICY**

## **DIRECTORS APPOINTMENT AND EVALUATION POLICY [With Effect from April 01, 2019]**

### **Purpose**

The purpose of the Nomination and Remuneration Committee (the "Committee" or the "Nomination Committee") of the Board of Directors (the "Board") of IntraSoft Technologies Ltd (the "Company") is to ensure the Company's nomination process for the top level management and specifically to identify, screen and review individuals qualified to serve as Executive Directors, Non Executive Directors and Independent Directors consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the Annual General Meeting of shareholders.

### **Membership**

The Members of the Committee will be appointed and removed by and shall serve at the discretion of the Board. The Board may remove any member from the committee at any time with or without cause. The Committee shall consist exclusively of "Independent Directors" (as defined under sub Section 6 of Section 149 of the Companies Act, 2013 as amended from time to time) of the Company as determined by the Board. The minimum number of members of the Committee shall be three.

Unless the Board designates a chair, members of the Committee may designate a chair by majority vote of the Committee. One-third of the total members of the committee or two members of the committee, whichever is greater, will constitute a quorum for the transaction of business of the committee.

### **Authority and responsibilities**

The Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board may prescribe from time-to-time.

### **Specific responsibilities of the committee include:**

#### ***Director criteria***

To determine the qualifications, positive attributes, qualities, skills, independence and other expertise required to be a director, to formulate and recommend to the Board for its approval the criteria to be considered in selecting nominees for director (the "Director Criteria")

### ***Nomination of directors***

Identifying, screening and reviewing candidates qualified to be appointed as Executive Directors, Non-Executive Directors and Independent Directors, and at senior management consistent with Director Criteria (including evaluation of incumbent directors for potential re-nomination), and making recommendations to the Board on candidates for:

- (i) nomination for election or re-election by the shareholders
- (ii) any Board vacancies that are to be filled by the Board.
- (iii) reviewing the Board's committee structure and composition and to make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chairman annually.

The Nomination Committee may act on its own in identifying potential candidates, inside or outside the Company, or from the website available for list of independent directors or may act upon proposals submitted by the Chairman of the Board of Directors. The Committee will review and discuss all documents pertaining to candidates and will specify the manner for effective evaluation of candidates in accordance with a process that it sees fit and appropriate, passing on the recommendations for the nomination to the Board.

### ***Consultative Role***

The Nomination and Remuneration Committee plays a consultative role for any appointment requiring Board approval, as stipulated by law or regulation, for top management positions such as that of the Chief Financial Officer, Company Secretary and Head of Human Resources (if the candidate for the position is not slated to be an executive director). It provides its advice and recommendations to the Board.

### ***Director Evaluation***

The Committee shall have the following responsibilities and authority with regards to evaluation:

1. The Committee shall specify the manner and formulate the criteria for effective evaluation of the performance of the Board, the independent directors, the individual directors and board committees of the Company to be carried out either by the Board or by the Committee or by an independent external agency and review its implementation and compliance.
2. The Committee shall annually review the corporate goals and objectives applicable to the Executive Directors and other senior level employees, evaluate at least annually the Executive Directors' and other senior level employees performance in light of those goals and objectives and shall also annually review:
  - (a) annual base salary,

- (b) annual incentive bonus, including the specific goals and amount,
  - (c) equity compensation, if any
  - (d) employment agreements, severance arrangements, and change in control agreements / provisions, and
  - (e) any other benefits, compensation or arrangements, based on this evaluation.
3. The Committee is responsible for administering the Company's equity incentive plans, if any, including the review and grant of awards to eligible employees under the plans and the terms and conditions applicable to such awards, subject to the provisions of each plan.
  4. The Committee may also make recommendations to the Board with respect to incentive compensation plans. The Committee may review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.
  5. The Committee shall review and re-assess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
  6. The Committee shall annually review its own performance and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

***Remuneration:***

The Committee shall formulate and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel, senior management and other employees and while formulating the Policy, the Committee shall ensure that:

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

The Committee shall place such policy on the website of the company and the salient features of the policy and shall disclose in the Board's report, the changes therein, if any, along with the web address of the policy.

***Specific Powers:***

The Committee may conduct or authorize studies of matters within the Committee's scope of responsibility with full access to all books, records, facilities and personnel of the Company.

The Committee may, at the expense of the Company, select and retain advisors to assist it in connection with its functions, as it deems necessary or appropriate. The Company shall provide for appropriate funding, as determined by the Committee, for payment of any advisors employed by the committee pursuant to this charter. The Company shall pay the ordinary administrative expenses of the Committee that are necessary or appropriate for carrying out its duties. The advisors retained by the committee shall be independent as determined in the discretion of the Committee.

### **Meetings**

The Meeting of the Committee shall be held at least once in a year or as determined by the needs of the Board or the Committee. If the need arises, meetings may be held through video conference to address issues in between meetings. In lieu of a meeting, upon decision from its Chairman, the Committee may also act by unanimous written consent.

The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings as are applicable to the Board.

### **Minutes**

The Committee will maintain written minutes of its meetings, including formal telephonic meetings. All the provisions relating to maintenance of minutes for the Board and General Meetings shall mutatis mutandis apply to the minutes of the Committee Meeting. The minutes of the Committee will be filed with the minutes of the meetings of the Board, and will also comprise the record of any action taken by written consent.

### **Compensation**

Members of the Committee shall receive such fees, if any, for their services as committee members as may be determined by the Board.