



**NEWGEN**

*One world. One workplace.*

**Newgen Software Technologies Limited**

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Letter No. CS/ID-Appt/ 01-2014 dated 10<sup>th</sup> July, 2013

To,  
Mr. Kaushik Dutta,  
DIN: 03328890  
843-A, Block Lavy Pinto,  
Asiad Village, Delhi, 110049

Dear Sir,

**Sub.: Appointment of independent Director**

I am pleased to inform you that your appointment as a non-executive independent director on the Board of the Company has been approved by the shareholders of the Company. This letter sets out the terms of your appointment as non-executive independent director on the Board of the Company.

**1. TERM OF OFFICE:**

- 1.1 In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an non-executive Independent Director on the Board of M/s Newgen Software Technologies Limited (hereinafter referred as "Newgen"), for a tenure of five years i.e from 9<sup>th</sup> July, 2014 to 8<sup>th</sup> July, 2019, and your office of Independent Director shall not be liable to retire by rotation as per the relevant provisions of the Companies Act, 2013. Further your appointment has been approved and confirmed by the Shareholders of the Company in the 22<sup>nd</sup> Annual General Meeting held on 09<sup>th</sup> July, 2014.
- 1.2 Your appointment is subject to the provisions of Companies Act, 2013 and rules made thereon, regarding appointment, fees, expenses, retirement, disqualification and removal of directors.

- 1.3 At any time that you resign by written notice. It is desirable that you give the Chairman reasonable forewarning of your intention to resign or to not seek re-appointment where that is possible so that Newgen can plan for succession of skills and experience on the Board; and you may be required to vacate office for any reason pursuant to any of the provisions of the Companies Act, 2013; or
- 1.4 You may be removed as a director or otherwise required to vacate office under any applicable law and under the Article of Association of the Company.

Your performance as an Independent Director will be reviewed during your tenure with the Company in accordance with processes agreed by the Board from time to time conformity with schedule IV of the Companies Act, 2013. By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role

## **2 BOARD & COMMITTEE'S MEETING:**

- 2.1 As advised by the Board, during the tenure of office, you may require serving on one or more of the Committees of the Board of the Company as established/ to be established by the Company. You will be expected to devote appropriate preparation and travel time ahead of each meeting. Upon your appointment to any one or more committee, you will be provided with the appropriate charter which sets out the functions of that Committee.
- 2.2 At present, You have been nominated as member on the following Committees of the Board.
  - I. Audit Committee
  - II. Nomination & Remuneration Committee
  - III. Corporate Social Responsibility Committee
- 2.3 The Board is sole responsible for constituting, assigning, co-opting and fixing terms of service for committee meeting. Recommendation of the Committee is to be submitted to the Board for their approval. The Quorum of the Committee is either two members of the Committee or one-third of total number of members of committee, whichever is higher.
- 2.4 **Separate Meeting:**

As provided in schedule IV of the Companies Act, 2013 you, as independent Director, should 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 of:

  - 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**

You will be expected to devote such time as is necessary for the proper performance of your duties and as an independent Director you will be involved in a number of Board and committee of the Board's meetings each year. You should strive to attend all the scheduled quarterly board meetings, General Meetings; Committees, in which you would be member, Meetings and other meetings or as Mandatory/ necessary.

#### 3.2 **The Company**

- The Company shall provide you with adequate notice of the dates of proposed Board meeting, general meetings, and meetings of Board committees. As per the provision of the Companies Act, 2013 the company is expected to give you an advance notice of minimum 7 days of every board and committee meetings. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board/Committee, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, The notice of the Board/ Committee meetings will be provided along with the agenda of the Board/ Committee meetings.
- The company will train 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.
- It shall be the responsibility of the Company to provide the independent director with all the information and documents they validly require to fulfill their functions.
- The company shall ensure that the independent directors are aware of their statutory obligations.

### 4 **INSURANCE.**

The Company shall procure suitable directors & officer's liability insurance coverage for the Independent Director 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 Company law and other applicable rules thereof including attendance at board 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. You will be required to serve on such committees as the Board may request, including but not limited to Audit, and/or Nomination and remuneration and, As a Director of Newgen, you will have legal duties and obligations under Companies Act 2013. It is expected that you will familiarize yourself with the relevant Directors Duties, roles and responsibilities as set out in Annexure - I.
- 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 and the extract of same is reproduced herein below for your perusal and ready reference.
- 5.3 The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

## 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 **CONFLICT OF INTEREST:**

- 7.1 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. If you become aware of any conflict or potential conflict during your appointment, you are expected to notify the Company Secretary of the Company and the same shall be placed in the board Meeting held after such

notification.

- 7.2 As an Independent Director you shall not engage in any activity/ies that is not expected from you as an Independent Director.

**8 MEMBERSHIP OF OTHER BOARD:**

- 8.1 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.

**9 DISCLOSURES:**

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

During your tenure as an independent director you are required to give a declaration that you meet the criteria of independent every financial year as provided under Section 149 of the Companies Act, 2013 and other disclosures, time to time, as required under Companies Act, 2013 and rules made thereto.

**10 INDEPENDENT DIRECTORS' FEES & Compensation:**

- 10.1 You shall be paid a sitting fee of Rs. 1,00,000/- (One Lakh Only) for attending each meeting of the Board and Rs. 1,00,000/-(One Lakh Only) for attending per meeting of each Committee thereof, in which you are/to be the member, accordance with the Companies Act, 2013.

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.

As an independent director you shall not be entitled to any stock option and shall not be covered by any pension scheme.

**11 CONFIDENTIALITY AND ACCESS TO COMPANY RECORDS:**

- 11.1 Under Company law, Directors have a right of access to Company's documents and records, including financial records. 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

to 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 required by law to disclose the same.

**12 EVALUATION MECHANISM:**

- 12.1 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 performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
  - 2. 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.

**13 Severability.**

- 13.1 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 Agreement 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 Agreement shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision

**14 APPLICABLE LAW:**

- 14.1 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, 2014.

It is pleasure to have you on Board. I am confident that your association, expertise and advice will immensely benefit the Company and Board.

Yours sincerely

**For Newgen Software Technologies Limited**

A handwritten signature in black ink, appearing to be 'Diwakar Nigam', written over a faint circular stamp or watermark.

**Diwakar Nigam**  
**Managing Director**  
**DIN: 00263222**

## Annexure I

### SCHEDULE IV [See section 149(8)]

#### CODE FOR INDEPENDENT DIRECTORS

##### **A. PROFESSIONAL CONDUCT**

An Independent director of the Company shall:

An independent director 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
6. 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;
7. 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;
8. Refrain from any action that would lead to loss of his independence;
9. Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
10. Assist the company in implementing the best corporate governance practices.

##### **B. ROLE 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 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.