

Draft Letter

Date:

To,

Name:

Address:

Dear Sir/Madam,

Sub: Appointment as an Independent Director on the Board of Integra Telecommunication and Software Limited ("ITSL" or "the Company")

We are pleased to inform you that your appointment as an Independent Director on the Board of Directors of the Company has been approved by the Shareholders of the Company on_____. Your appointment shall be subject to such terms & conditions of your appointment as set out in the **Annexure** to this letter.

We welcome you to the Company and look forward to a mutually beneficial association.

Kindly confirm your acceptance to the appointment by signing and returning to us a duplicate copy of this letter

Thank You.

Yours truly,

For Integra Telecommunication and Software Limited

Chairman of Board

Encl. as above

I hereby accept the terms & conditions of my appointment as stated in this letter:

Place:

Date:

Sign:

Name:

Annexure -I

Terms of Appointment of Independent Director ("ID")

1. Position

- 1.1** The role of ID is a non-executive role in that it does not carry any executive responsibilities, liability or authority.
- 1.2** The term ID should be construed as defined under the Act and the Rules framed there under (including any re-enactments thereof or modifications thereto) and the SEBI Regulations (together referred to as "the Applicable Laws").
- 1.3** You will not be an employee of the Company and this letter shall not constitute a contract of employment.

2. Tenure

- 2.1** Your appointment takes effect from_____and shall be valid up to_____, unless terminated earlier.
- 2.2** Your appointment will be subject to the provisions of the Applicable Laws and the Articles of Association of the Company.
- 2.3** You will not be liable to be retired by rotation.

3. Committee(s)

- 3.1** In addition to your role as an ID, the Board may, if deem fit, subject to your consent, invite/nominate you for being appointed on one or more Board Committee whether existing or that may be set up in the future.
- 3.2** Your appointment on the Committee(s), if any, shall be guided by the terms of reference or charter of the Committee(s).
- 3.3** The Charter of the Committee(s) on which you get appointed as Chairman/ Member, lays down the roles, responsibilities, powers, etc. of such Committee and the same is approved /amended by the Board from time to time, a copy whereof will be shared with you.
- 3.4** Your appointment on any Board Committee(s) will be subject to the provisions of the Applicable laws.

4. Time Commitment

- 4.1** The Board meets at least four times in a year.
- 4.2** You will be expected to attend meetings of Board and Board Committees to which you are/ may be appointed and also the Shareholders meetings and commit sufficient time to ensure fulfilment of your duties and responsibilities effectively.

5. Role, Duties & Responsibilities

- 5.1** As an ID you are expected to bring objectivity and independence of view to the Board's discussions and to help them provide with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and Corporate Governance that benefits the Company and its stakeholders.
- 5.2** The duties and responsibilities of an ID are same as other Directors. There are, however, additional roles and duties required of an ID under the Applicable laws and as mentioned under **Appendix - I**
- 5.3** Without prejudice to above, you shall be under an obligation to comply with all other laws as are applicable with respect to your appointment as a Director of the Company.

6. Code of Conduct for Board and Senior Management

- 6.1** Code of Conduct for Board and Senior Management ("Code") is applicable to all Directors. You may access the Code on the Company's website at www.integratelesoftware.com, a copy whereof is enclosed herewith.
- 6.2** You shall abide by the provisions of the SEBI (Prohibition of Insider Trading) Rules, 2015 and the Insider Trading Rules framed by Company.
- 6.3** The Company may lay down additional policies which may be applicable to an ID. The Company will suitably communicate the same to you before such additional policies become effective.
- 6.4** You shall abide by the Code and such other policies that may be adopted by the Company applicable to an ID.

7. Liabilities

As an ID, you shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board and Committee processes, and with your consent or connivance or where you had not acted diligently.

8. Remuneration & Entitlements

- 8.1** You shall be entitled to following:
 - a.** sitting fees for attending each meeting of the Board and its Committees (on which you are appointed as Chairman/ Member) as may be determined by the Board from time to time, and;
 - b.** Remuneration as determined by the Board, from time to time, will be payable upon the adoption of financial statements of the Company for the relevant financial year by the Shareholders at the Annual General Meeting.
- 8.2** The remuneration payable to Non-Executive Directors is subject to the limits prescribed under the Act and is approved by the Shareholders of the Company.

8.3 Additionally, you will be entitled to reimbursement of expenses incurred in connection with the attending of Board meetings, Board Committee meetings, and General Meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

9. Disclosures

9.1 Initial Disclosures

At the first meeting of the Board in which you participate as a Director you shall disclose your concern or interest in any Company/ies or bodies corporate, firms, or other association of individuals which shall include your shareholding, in the manner prescribed under the Act.

9.2 Continual Disclosures

- a. At the first meeting of the Board in every financial year and whenever there is any change in the disclosures already made, then within 30 days of such change, you shall disclose your concern or interest in any Company/ies or bodies corporate, firms, or other association of individuals which shall include your shareholding, in the prescribed manner under the Act.
- b. During your appointment as an ID, if there is any change in the circumstances that affect your independence, you shall immediately inform the Company of the same.
- c. You may be required to furnish additional disclosures to the Company as per the requirements of other laws that are/may be applicable to the Company within such period and at such intervals as may be informed to you by the Company.

10. Induction & Training

- 10.1** The Company provides all new Directors with an induction which will include familiarization program, including briefings from Management.
- 10.2** The induction program covers familiarization of the Director with the Company, his role, rights, responsibilities in the Company, nature of the industry, business model of the Company, etc.
- 10.3** The Company shall also conduct suitable training program at periodic intervals to educate the Directors on their responsibilities under the Act and SEBI Regulations. The Company may invite experts to conduct such training module.
- 10.4** Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

11. Directors' Liability Insurance

The Company will avail a Directors' & Officers' Policy ("D&O Policy") covering the liability of its Directors and Officers as applicable from time to time and basis on the terms of the policy.

12. Performance Evaluation

- 12.1** The performance evaluation of the Board as a whole and the individual Directors shall be in accordance with the Company's policy on Board Evaluation.
- 12.2** The criteria for evaluation are determined by the Corporate Governance Committee of the Board of Directors.
- 12.3** The outcome of performance evaluation will be considered to determine whether to extend or continue the term of your appointment as an ID.

13. Termination/Vacation

- 13.1** You may resign from your position at any time and should you wish to do so, you are requested to serve a written notice on the Board.
- 13.2** Your appointment may also be terminated in accordance with the provisions of the Act and Articles of Association of the Company from time to time in force.
- 13.3** Any such termination shall be with a notice of 24 hours on either side.
- 13.4** Upon your resignation/ termination as a Director, you shall, with immediate effect, cease to be a Member of the Committee(s) of the Board in which you are appointed.
- 13.5** Further, your office is liable to vacation on the grounds prescribed under the Act.

14. Confidential Information

- 14.1** "Confidential Information" means all non-public information including but not limited to trade secrets, software details, confidential business information, technical information and know-how, formulations, drawings, prints, hardware specifications, customer details, etc.
- 14.2** As an ID, you may have access to and /or knowledge of Confidential Information. You shall use Confidential Information only in the performance of your duties as an ID.
- 14.3** You shall hold Confidential Information in confidence and trust.
- 14.4** You shall ensure that Confidential Information is not disclosed or divulged to any person in any manner whether directly or indirectly in full or in part, both during and after your Term as an ID without prior clearance from the Managing Director/CEO unless required by law or by any regulatory body.

15. Intellectual Property Rights (IPR)

- 15.1** IPR includes but is not limited to all inventions, discoveries (whether or not capable of patenting) works of authorship, artistic, literary and creative work and the copyright therein, improvement to or concerned with any product, business strategy, plan or process made or developed by you or in combination with others, whether stored in paper form or electronic copy.

- 15.2 As an ID, you may have access to and /or knowledge of the Company's IPR.
- 15.3 All IPR that arise in the course of your term as an ID of the Company shall be the sole property of the Company and the Company shall have exclusive rights over the same.
- 15.4 You shall use IPR only in the performance of your duties as an ID.
- 15.5 You shall hold IPR in confidence and trust.
- 15.6 You shall ensure that the Company's IPR are not compromised in any manner whether directly or indirectly, in full or in part, both during and after your Term as an ID.

16. Communication

- 16.1 All communication to Integra Telecommunication and Software Limited shall be addressed to Company Secretary & Compliance Officer of the Company at Registered office/Corporate Office address.
- 16.2 All communication to Independent Director shall be address according to documentation submitted at time of joining.

In case of any change in the above information on either side, the same shall be communicated promptly to the other party.

17. Governing Law

These terms of appointment are governed by and will be interpreted in accordance with laws of India and your engagement shall be subject to the jurisdiction of the Indian Courts.

Appendix - I

DUTIES AND RESPONSIBILITIES OF DIRECTORS

A. DUTIES OF A DIRECTOR [as per Section 166 of the Companies Act, 2013]

1. Subject to the provisions of the Companies Act, 2013 together with the Rules notified there under (including any re-enactments thereof or modifications thereto) (referred to as "the Act"), a Director of a Company shall act in accordance with the Articles of Association of the Company.
2. A Director of a Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, and the community and for the protection of environment.
3. A Director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A Director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. A Director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
6. A Director of a Company shall not assign his office and any assignment so made shall be void.

B. CODE FOR INDEPENDENT DIRECTORS [as per Schedule IV of the Act]

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment 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.

I. Guidelines of professional conduct:

An Independent Director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising duties;
3. exercise responsibilities in a bona fide manner in the interest of the Company;
4. devote sufficient time and attention to professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate their 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 their 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 independence;
8. where circumstances arise which make an Independent Director lose independence, the Independent Director must immediately inform the Board accordingly;
9. assist the Company in implementing the best corporate governance practices.

II. 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 those 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 recommending 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.

III. Duties:

The Independent Directors shall:

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
2. 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;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which they are a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;

5. strive to attend the general meetings of the Company;
6. where they have concerns about the running of the Company or a proposed action, ensure that these 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;
7. keep themselves well informed about the Company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. 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;
10. 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;
11. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct;
12. act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
13. 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.

IV. Manner of appointment:

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
 - a. the term of appointment;
 - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d. provision for Directors and Officers (D and O) insurance, if any;
 - e. the Code of Conduct that the company expects its directors and employees to follow;
 - f. the list of actions that a director should not do while functioning as such in the company; and
 - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of Independent Director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

1. The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

1. The Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and members of management;
2. All the Independent Directors of the Company shall strive to be present at such meeting;

3. The meeting shall:
 - a. review the performance of non-Independent Directors and the Board as a whole;
 - b. review the performance of the Chairman of the Company, 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.

VIII. Evaluation mechanism:

1. The performance evaluation of Independent Director 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.
