HYPERSOFT TECHNOLOGIES LIMITED
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NOMINATION AND REMUNERATION POLICY

[Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015]

1. Preamble and Objective

Hypersoft Technologies Limited ("the Company") has constituted a Nomination and Remuneration Committee ("the Committee") in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR Regulations, 2015. This Nomination and Remuneration Policy ("the Policy") has been formulated by the Committee and approved by the Board of Directors.

The objectives of this Policy are: (a) to lay down the criteria for determining qualifications, positive attributes and independence of a Director; (b) to recommend a policy on remuneration of the Directors, Key Managerial Personnel and other employees; (c) to formulate criteria for evaluation of the performance of the Board and its Directors; (d) to devise a policy on diversity of the Board; and (e) to identify persons qualified to become Directors and Senior Management, and to recommend their appointment and removal.

2. Definitions

(a) Key Managerial Personnel (KMP)

means the Managing Director, the Manager, the Whole-time Director, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary and such other officer as the Board may designate. The current KMPs of the Company are: Mr. Narra Purna Babu (Managing Director), Mr. Lakshman Koduru (Chief Financial Officer) and Mr. Manohar Reddy Pandi (Company Secretary and Compliance Officer).

(b) Senior Management

means officers and personnel of the Company who are members of its core management team excluding the Board, comprising all members one level below the Managing Director / Whole-time Director, including all functional heads.

3. Composition of the Committee

The Nomination and Remuneration Committee shall comprise a minimum of three Non-Executive Directors, of which at least one-half shall be Independent Directors. The Chairperson of the Committee shall be an Independent Director. The current composition of the Nomination and Remuneration Committee is:

- Chairman: Mr. Ramesh Babu Kommineni (DIN: 10811021) – Independent Director
- Member: Mrs. Manjula Aleti (DIN: 07563104) – Independent Director
- Member: Mrs. Narra Naga Malleswari (DIN: 10819020) – Non-Executive Director

4. Appointment Criteria and Qualifications

(a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person being considered for appointment as a Director, KMP or in Senior Management, and shall recommend the appointment to the Board.

(b) The person being considered should possess adequate qualification, expertise and experience for the position for which he / she is being considered.

(c) In the case of an Independent Director, the Committee shall satisfy itself that the candidate meets the independence criteria under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR Regulations, 2015.

(d) The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of seventy years, except by passing a special resolution.

5. Term and Tenure

(a) Managing Director / Whole-time Director / Manager

The Managing Director, Whole-time Director or Manager shall be appointed for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the existing term.

(b) Independent Director

An Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment for one more term of up to five consecutive years on the passing of a special resolution by the Company. No Independent Director shall hold office for more than two consecutive terms. On completion of two terms, the same person shall not be re-appointed as an Independent Director for a period of three years.

6. Performance Evaluation

The Committee shall carry out the evaluation of every Director, KMP and Senior Management Personnel at regular intervals, at least once a year. The Committee shall formulate the criteria for performance evaluation of the Board, its Committees and individual Directors, including Independent Directors. The performance evaluation of Independent Directors shall be carried out by the entire Board, excluding the Director being evaluated.

7. Removal

Where a Director, KMP or Senior Management Personnel is found to be disqualified or is otherwise ineligible to continue in their position under the Companies Act, 2013 or any other applicable law, the Committee shall recommend their removal to the Board, with reasons recorded in writing.

8. Remuneration

(a) Managing Director / Whole-time Director / Manager and KMPs

The remuneration of the Managing Director, Whole-time Director, Manager and KMPs shall be recommended by the Committee and approved by the Board. Where required under the Companies Act, 2013, it shall also be approved by the shareholders and the Central Government. The remuneration shall be within the overall ceiling of eleven per cent of the net profits of the Company in a financial year as computed under Section 198 of the Companies Act, 2013, subject to the conditions set out in Schedule V to the Companies Act, 2013. The remuneration shall consist of fixed pay (salary, allowances and perquisites) and may include performance-linked variable pay, as recommended by the Committee.

(b) Non-Executive and Independent Directors

The Non-Executive and Independent Directors shall be paid sitting fees for each meeting of the Board and its Committees attended. The sitting fee shall not exceed rupees one lakh per meeting of the Board and rupees one lakh per meeting of any Committee of the Board, as fixed by the Board from time to time. They may also be paid commission not exceeding one per cent of the net profits of the Company in a financial year, computed under Section 198 of the Companies Act, 2013, subject to approval of the shareholders by an ordinary resolution. The Independent Directors shall not be entitled to any stock option or performance-linked incentive of the Company.

(c) Senior Management Personnel

The remuneration of Senior Management shall consist of fixed pay (salary, allowances and perquisites) and performance-linked variable pay. The fixed pay shall include monthly remuneration, employer's contribution to the Provident Fund, contribution to pension schemes etc., as decided from time to time. The performance-linked variable pay shall be decided annually based on the performance of the Company and of the individual employee.

9. Disclosure and Review

This Policy and any changes thereto shall be disclosed in the Board's Report and shall be hosted on the website of the Company at www.hypersoftindia.com. The Committee may review and amend this Policy from time to time, and in the event of any conflict with the Companies Act, 2013 or the SEBI LODR, the provisions of such law shall prevail.