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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**SCHEDULE 14A [X]**

**(Rule 14a-101)  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the Registrant [X]  
Filed by a Party other than the Registrant [ ]  
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

**NetSol Technologies, Inc.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- 1) Title of each class of securities to which transaction applies:
  - 2) Aggregate number of securities to which transaction applies:
  - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - 4) Proposed maximum aggregate value of transaction:
  - 5) Total fee paid:
- Fee paid previously with preliminary materials:
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
- 1) Amount previously paid:
  - 2) Form, Schedule or Registration Statement No.:
  - 3) Filing Party:
  - 4) Date Filed:



NetSol Technologies, Inc.  
23975 Park Sorrento, Suite 250  
Calabasas, CA 91302  
Phone: (818) 222-9195  
Fax: (818) 222-9197

April 26, 2021



*"The pandemic has made it clear that all businesses need to have a sound digital strategy, and we're confident that we'll continue to benefit from this transition as customers continue to transform processes."*

**Najeeb Ghauri**  
**Founder, Chairman & CEO**

Dear Fellow Shareholder:

Nearly a year has passed since I last wrote to you as part of our prior annual update. And what a year it has been. As we know all too well, the COVID-19 pandemic has impacted nearly every part of the globe, changing the way we work, live and view the world. Businesses went remote, and we stayed at home. Major life events were put on hold or conducted virtually. The list continues.

As a global organization with footprints in the U.S., the U.K., China, Thailand, Australia, Indonesia and Pakistan, we felt this impact acutely. Moreover, we serve an international client base, spread over twenty countries. We've seen the different ways everyone has been impacted and ultimately pushed through. I am incredibly proud of how our Company has responded to these challenges, stepping up to remote work, continuing to care for our customers and creating solutions to navigate this new world.

Back in March, in response to the crisis, we acted swiftly, implementing both a "Business Continuity Plan" and "Emergency Response Plan" to help our more than 1,400 employees safely transition to the remote work environment. Those plans are largely still in place to this day. And while I'm sure I speak for many of us when I say that I'm looking forward to bringing our teams back as soon as it's deemed safe, this process has not been without its bright spots. While working remotely, I've witnessed teams become closer through this shared experience. At the same time, we've seen overall productivity increase while our operating expenses decreased approximately 8%.

As many of you know, we have a significant number of employees in Pakistan, roughly 86% of our workforce, as well as around the globe. The economic impact of the virus in this key market has been particularly severe. During this period, NETSOL sponsored several causes to help alleviate some of the hardships brought on by the pandemic. In addition, I and several founders have personally assisted financially through combined donations over roughly \$100,000 in the last twelve months. We have done a lot in our other markets as well, and we hope to do more.

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On the business side, within existing customer relationships, our back-office development and delivery teams have been able to perform their duties without missing a beat. As has been well catalogued at this point, the business development environment has been a bit more challenging. Much of our work is relationship-based and without the ability to meet in person, combined with an uncertain macroeconomic environment, major purchasing decisions have been delayed. Based on what we're seeing in early recovering markets, we're confident that we're entering a return to more normalized buying patterns. Despite these challenges, we've continued to move forward, improving each quarter since the initial impact of the pandemic. Today, our record cash position of \$32 million gives us ample resources to fund rebooted global sales and marketing activities. Longer term, the pandemic has made it clear that all businesses need to have a sound digital strategy, and we're confident that we'll continue to benefit from this transition as customers continue to transform processes.

Outside our core business, we're also working on some exciting, new offerings. In December, we announced NXT, a COVID-aware smart workplace solution. NXT enables employees to safely return to the office by ensuring standard operating procedures are enforced. We believe its applications will be beneficial to any organization looking to meet today's unique challenges.

More recently, we announced the planned launch of a new automotive retail platform through our Otoz subsidiary. The new platform enables automotive companies to provide consumers with a complete, end-to-end digital shopping experience. Otoz will be launching the platform with its first client, a tier one OEM through its finance arm, in the calendar second quarter of this year. Beginning in California, the solution is intended to be rolled out by over 100 dealerships across all 50 states. This pilot is a door opener for Otoz to penetrate the rapidly growing digital mobility platform movement. Based on the sizeable prospect pipeline we have today, we are well on track to continue to grow the Otoz client list by at least another few tier one mobility customers over the next twelve months.

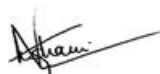
While the broader market cautiously begins to pick up, we are continuing to execute against our near-term pipeline and current implementation schedule. We are being conservative in our cost structures, managing the business as owners, and will opportunistically look to deploy additional resources to high-value areas such as our Otoz Innovation Lab. In the coming months, we'll be looking to accelerate progress within our core initiatives, namely driving more consistent topline growth through an increased focus on high-margin, SaaS opportunities which should also lead to sustained profitability. We remain optimistic for the near-term recovery and even more bullish on the years ahead.

I hope you will join us at our annual meeting to be held on June 14, 2021 at the Company's headquarters located at 23975 Park Sorrento, Suite 250, Calabasas, CA 91302 at 10:00 AM local time. We are monitoring the COVID vaccine rollout efforts within California and nationwide and will comply with state and local mandates as it relates to holding in-person gatherings at the time of the event.

Regardless of the format, as we do each year, we will review our business and financial results for the fiscal year, address the voting items in the Proxy Statement and, of course, take your questions. Whether you plan to attend the meeting or not, your vote is important, and we encourage you to review the enclosed materials and submit your proxy whether it is by mail or in person.

Thank you again for your continued support of NETSOL. We hope you and your family remain safe and healthy.

Sincerely,



Najeeb Ghauri  
Chairman and CEO  
NetSol Technologies, Inc.

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Notice of Annual Meeting  
of Shareholders of NetSol Technologies, Inc.

NOTICE IS HEREBY GIVEN that the Annual Meeting of the holders of shares of common stock, each having a par value of \$0.01 per share ("**Common Stock**"), of NetSol Technologies, Inc. ("**NETSOL**" or the "**Company**") will be held June 14, 2021 at 10:00 a.m.

ANNUAL MEETING OF SHAREHOLDERS

Date:	<b>Monday, June 14, 2021</b>
Time:	<b>10:00 AM PDT</b>
Place:	<b>NetSol Technologies, Inc.</b> 23975 Park Sorrento, Suite 250 Calabasas, CA 91302
Record Date:	<b>April 26, 2021</b>

**Agenda and Voting Matters**

At or before our Annual Meeting, we ask that you vote on the following items:

	<b>Board Recommendation</b>	<b>Page Reference</b>
Item 1 Election of Directors.	FOR	9
Item 2 Ratification of the Appointment of BF Borgers CPA PC as the Company's Independent Auditors for Fiscal year 2021.	FOR	10
Item 3 To approve, on an advisory basis vote on executive compensation in this Proxy Statement.	FOR	12
Item 4 To consider such other matters as may properly come before the Annual Meeting.		

Only shareholders of record as shown on the books of the Company at the close of business on April 26, 2021, the record date and time fixed by the Board of Directors, will be entitled to vote at the meeting and any adjournment thereof.

By order of the Board of Directors  
NetSol Technologies, Inc.



Najeeb Ghauri  
Chief Executive Officer  
Calabasas, California

TO ASSURE YOUR REPRESENTATION AT THE MEETING, PLEASE SIGN, DATE AND RETURN YOUR PROXY IN THE ENCLOSED ENVELOPE WHETHER OR NOT YOU EXPECT TO ATTEND IN PERSON. SHAREHOLDERS WHO ATTEND THE MEETING MAY REVOKE THEIR PROXIES AND VOTE IN PERSON IF THEY DESIRE.

**How to vote: Your vote is important**



**Internet**

Visit the website listed on your proxy card. You will need the control number that appears on your proxy card when you access the web page.



**Mail**

Complete and sign the proxy card and return it in the enclosed postage pre-paid envelope.



**Telephone**

If your shares are held in the name of a broker, bank or other nominee: follow the telephone voting instructions, if any, provided on your voting instruction card. If your shares are registered in your name:  
In the US call toll free:  
(866) 829-0542 and International callers call 1- (212) 771-1133 and follow the telephone voting instructions. You will need the control number that appears on your proxy.



**In Person**

You may attend the Annual Meeting and vote by Ballot.

**This proxy statement is available online at <http://ir.netsoltech.com/all-sec-filings>**

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## PROXY STATEMENT GENERAL INFORMATION

This Proxy Statement is furnished to holders of the common stock, par value \$.01 per share, of NetSol Technologies, Inc., a Nevada corporation (the "Company" or "NETSOL"), in connection with the solicitation by the Company's Board of Directors of proxies for use at the Company's Annual Meeting of Shareholders (the "Annual Meeting"). For overnight accommodations, Hilton Garden Inn located at 24150 Park Sorrento, Calabasas, CA 91302, telephone (818) 591-2300 is within a short walking distance of the Company and meeting site. The time and place of the Annual Meeting are stated in the Notice of Proxy Materials and the Notice of Annual Meeting of Shareholders that accompanies this proxy statement.

The Annual Meeting has been called for the purpose of the following:

1. To consider and vote on the election of directors, each to hold office for a term of one year ending in 2022 or when their successors are elected.
2. To consider and vote upon the ratification of the appointment of BF Borgers CPA PC as the Company's independent auditors for the fiscal year 2021.
3. To approve, on an advisory basis, executive compensation in this Proxy Statement ("Say-on-Pay"); and,
4. To consider such other matters as may properly come before the Annual Meeting.

### QUESTIONS AND ANSWERS ABOUT VOTING AND THE SHAREHOLDER MEETING

**Q: Why did I receive the proxy materials?**

A: We have made the proxy materials available to you over the internet and have mailed you paper copies of these materials because the Board is soliciting your proxy to vote your shares of our common stock at the annual meeting to be held on June 14, 2021, and at any adjournments or postponements of this meeting.

**Q: What is a proxy?**

A: The Board is asking you to give us your proxy. Giving us your proxy means that you authorize another person or persons to vote your shares of our common stock at the annual meeting in the manner you direct. The written document you complete to designate someone as your proxy is usually called a "proxy card" or a "voting instruction form" depending on how the ownership of your shares is reflected in our records. If you are the record holder of your shares, a "proxy card" is the document used to designate your proxy to vote your shares. If you hold your shares in street name, a "voting instruction form" is the document used to designate your proxy to vote your shares. In this proxy statement, the term "proxy card" means both the voting instruction form and proxy card unless otherwise indicated.

**Q: Who Can Vote?**

A: You are entitled to notice of the Annual Meeting if you held any shares of common stock of NETSOL as of the close of business on the record date, April 26, 2021. You are entitled to vote at the Annual Meeting all shares of common stock of NETSOL that you held as of the close of business on that record date. Each share of common stock is entitled to one vote with respect to each matter properly brought before the Annual Meeting.

As of April 26, 2021, there were 11,306,680 shares of common stock of NETSOL issued and outstanding, representing 12,157,871 shares issued less 851,191 treasury shares.

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In accordance with Nevada law, lists of our shareholders who are entitled to vote at the Annual Meeting will be available for inspection by any stockholder present at the Annual Meeting and, for ten days prior to the Annual Meeting, by any shareholder, for purposes germane to the meeting, at our offices located at 23975 Park Sorrento, Suite 250, Calabasas, CA 91302. Any inspection of these lists prior to the Annual Meeting must be conducted between 9:30 A.M. and 4:30 P.M. PDT. Please contact our Corporate Secretary to arrange any inspection prior to the Annual Meeting, especially if the shelter in place continues to be in place by the city of Los Angeles.

**Q: Who Is the Record Holder?**

A: You may own common stock either (1) directly in your name, in which case you are the record holder of such shares, or (2) indirectly through a broker, bank or other nominee, in which case such nominee is the record holder.

If your shares are registered directly in your name, we are sending these proxy materials directly to you. If the record holder of your shares is a nominee, you will receive proxy materials from such nominee.

**Q: How Do I Vote?**

*Record Holders:*

- By Mail. If you choose to vote by mail, mark your proxy card, date and sign it, and return it as soon as possible in the postage-paid envelope provided.
- By Telephone. If you choose to vote by phone, please call toll free (866) 829 0542 and vote your shares; international callers please call our toll number (212) 771-1133 to vote.
- By voting on the Internet. Please go on [www.proxyvote.com](http://www.proxyvote.com).

*Stock Held by Brokers, Banks and Nominees:*

- If your common stock is held by a broker, bank or other nominee, such nominee will provide you with instructions that you must follow in order to have your shares voted.

**Q: Are proxy materials available on the Internet?**

A: Yes, please see notice below:

**Important notice regarding the availability of proxy materials for the annual shareholder meeting to be held on June 14, 2021.**

**Q: What are NETSOL shareholders being asked to vote on at the annual shareholder meeting?**

A: You will vote on:

- **Item 1:** The election of directors to serve until the next annual meeting of shareholders.
- **Item 2:** To consider and vote upon the ratification of the appointment of BF Borgers CPA PC as the Company's independent auditors for the fiscal year 2021; and
- **Item 3:** To approve, on an advisory basis, of the executive compensation in this Proxy Statement ("Say-on-Pay").

**Q: How Many Shares Must be Represented in Order to Transact Business at the Annual Meeting?**

A: A quorum is the number of shares that must be represented, in person or by proxy, in order to transact business at the Annual Meeting. We will have a quorum and be able to conduct business at the Annual Meeting if a majority of the outstanding shares of common stock entitled to vote are present at the virtual meeting, either in person or by proxy. Abstentions will be included in the calculation of the number of shares considered to be present for purposes of determining whether a quorum is present.

**Q: How Many Votes Are Required to Approve a Proposal?**

A: If a quorum is present, the vote of a majority of votes present in person or represented by proxy at the meeting and entitled to vote on the election of directors is required to elect directors. The vote of a majority of the votes cast is required to ratify the selection of our independent registered public accounting firm, and, to approve the proposal to approve, on an advisory basis, the named executive officer compensation in this Proxy Statement.

**Q: What is a Broker Non-Vote?**

A: Under the rules that govern nominees who have record ownership of shares that are held in "street name" for account holders (who are the beneficial owners of the shares), nominees typically have the discretion to vote such shares on routine matters, but not on non-routine matters. If a nominee has not received voting instructions from an account holder and does not have discretionary authority to vote shares on a particular item, a "broker non-vote" occurs.

**Q: What is the difference between holding shares as a "Shareholder of Record" and as a "Beneficial Owner"?**

A: If your shares are registered in your name on the books and records of American Stock Transfer, our registrar and transfer agent, you are a "Stockholder of Record" (also sometimes referred to as a "Registered Shareholder"). If you are a Shareholder of Record, we sent the Notice directly to you.

If your shares are held by your broker or bank on your behalf, your shares are held in "Street Name" and you are considered a "Beneficial Owner." If this is the case, the Notice has been sent to you by your broker, bank, or other holder of record.

**Q: Does Anyone Solicit this Proxy and Who Will Pay the Expenses of the Proxy Distribution?**

A: We will pay the expenses for the preparation of the proxy materials and the solicitation of proxies. Our directors, officers or employees may solicit proxies on our behalf in person or by telephone, e-mail, facsimile or other electronic means. These directors, officers and employees will not receive additional compensation for such services. In accordance with the regulations of the United States Securities and Exchange Commission (the "SEC"), we may reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of our common stock.

**Q: What do I need to do now?**

A: First, carefully read this document in its entirety. Then, vote your shares by following the instructions from your broker, if your shares are held in "street name", or by one of the following methods:

- If you received these printed materials by mail, mark, sign, date and return your proxy card in the enclosed return envelope as soon as possible; or
- Call the toll-free number on the proxy card and follow the directions provided; or
- Go to the website listed on the proxy card and follow the instructions provided; or,
- If a broker holds your shares in "street name," you will need to get a legal proxy from your broker to vote in person at the meeting.

Voting by phone or on the Internet has the same effect as submitting a properly executed proxy card.

**Q: What are my choices when voting?**

A: When you cast your vote on:

Item 1: You may vote in favor of electing the nominees as directors or vote against one or more nominees or you may abstain from voting.

Item 2: You may cast your vote in favor of or against the proposal, or you may elect to abstain from voting your shares.

Item 3: You may cast your vote in favor of or against the proposal, or you may elect to abstain from voting your shares.

**If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of each director nominee in Proposal 1 and in favor of Proposal 2 and 3.**

**Q: Does the Board have a recommendation for voting?**

A: The Board unanimously recommends you vote your shares as follows:

Proposal 1- **“FOR”** each of the persons nominated for election to the Board.

Proposal 2- **“FOR”** ratifying the selection of BF Borgers CPA PC as the Company’s independent auditor for fiscal year ending June 30, 2021.

Proposal 3- **“FOR”** approval, on an advisory basis, of the executive compensation in this Proxy Statement (“Say-on-Pay”).

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**Q: What if I abstain from voting?**

A: If your shares are represented at the annual meeting, in person or by proxy, but you abstain from voting on a matter, or include instructions in your proxy to abstain from voting on a matter, your shares will be counted for the purpose of determining if a quorum is present but will not be counted as either an affirmative vote or a negative vote with respect to that matter. With respect to the items scheduled to be voted on at the meeting, abstentions will have no effect on the outcome of the vote on those proposals, assuming a quorum is present.

**Q Who is eligible to vote?**

A: Holders of record of NETSOL common stock at the close of business on April 26, 2021, are eligible to vote at NETSOL’s Annual Meeting of Shareholders. As of April 26, 2021, there were 12,157,871 shares of NETSOL common stock issued and 11,306,680 outstanding held by 149 holders of record, a number that does not include beneficial owners who hold shares in “street name”.

**Q: If my shares are held in “street name” by my broker, will my broker vote my shares for me?**

A: Yes, but only if you give your broker instructions. If your shares are held by your broker (or other nominee), you should receive this document and an instruction card from your broker. Your broker will vote your shares if you provide instructions on how to vote. If you do not tell your broker how to vote, your broker may vote your shares in favor of ratification of the auditor appointment but may not vote your shares on the election of directors or any other item of business. However, your broker is not required to vote your shares if you do not provide instructions.

**Q: Can I change or revoke my vote after I have mailed my signed proxy card or voted by telephone or electronically?**

A: Yes. If you have not voted through your broker, you can do this by:

- calling the toll-free number on the proxy card at least 24 hours before the meeting and following the directions provided; or,
- going to the website listed on the proxy card at least 24 hours before the meeting and following the instructions provided; or,
- submitting a properly executed proxy prior to the meeting bearing a later date than your previous proxy.

If you voted through your broker, please contact your broker to change or revoke your vote.

**Q: Why did I receive more than one proxy card?**

A: You may receive multiple cards if you hold your shares in different ways (e.g. joint tenancy, in trust or in custodial accounts). You should vote on every proxy card that you receive.

**Q: How many shares are owned by NETSOL’s directors and executive officers?**

A: On April 26, 2021, NETSOL’s directors and executive officers beneficially owned 1,639,672 shares entitled to vote at the annual meeting, constituting approximately 11.95% of the total shares outstanding and entitled to vote at the meeting.

**Q: Where do I get more information?**

A: If you have questions about the meeting or submitting your proxy, or if you need additional copies of this document or the proxy card, you should contact the Company’s Corporate Secretary at (818) 222-9195.

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**BUSINESS OVERVIEW-2020 HIGHLIGHTS**

In fiscal 2020, NETSOL performance was impacted by the challenges our business faced as a result of the global COVID-19 pandemic. To protect the health and welfare of our employees and in support of efforts to control the spread of the pandemic, we asked all of our employees to work from home and adhere to their local guidelines when returning back to our offices. As we adapted, gradually we were able to service customers and clients remotely. With the steady recovery of our business globally, we accelerated our plans to transform our business and portfolio to meet customers’ evolving preferences in the new environment and position the Company for long-term success. Our accelerated recovery in fiscal 2020 was underpinned by a faster-than-expected recovery in our lead growth market, China and Asia Pacific.

**A few of our highlights for the fiscal year ended June 30, 2020 were:**

- NETSOL acquired the remaining stake in Virtual Lease Services, a UK-based portfolio and risk management servicing partner for business and consumer finance providers. By acquiring the remaining stake, NETSOL became the outright owner of the organization.
- Due to the demand for the Company’s premier solution NFS Ascent’s<sup>®</sup> Wholesale Platform in Europe, NETSOL appointed Chris Mobley as Head of NFS Ascent<sup>®</sup> Wholesale Operations in Europe. Mr. Mobley brings over two decades of industry experience to NETSOL with an accomplished background and domain-specific knowledge and expertise within the wholesale finance space.

- NETSOL announced the SaaS or subscription-based pricing model for our global markets in addition to its existing license options. All global contracts now provide NETSOL customers with the option for subscription-based pricing as an alternative to the traditional license model. This Software-as-a-Service (SaaS) pricing option is now available for all cloud-based NETSOL products and services, including NETSOL's core, next-gen solution NFS Ascent®.
- NETSOL signed a multi-million-dollar agreement with a large UK vehicle finance company to implement its NFS Ascent® Wholesale Platform. This agreement pertains to accessing NFS Ascent® Wholesale Finance System (WFS) via subscription-based pricing, the dynamic pricing model that NETSOL has introduced in all operating regions in response to growing demand for this model. This monumental implementation marked the first roll-out of NFS Ascent® in the United Kingdom.
- NETSOL signed an agreement with a bank in the United Kingdom for NFS Ascent® on the cloud. This contract covers the implementation of NFS Ascent's® Retail platform, including its Omni Point of Sale solution (Omni POS) and Contract Management System (CMS). Similar to the previous contract with a large independent used vehicle finance company in the United Kingdom, implementation is expected in less than six months, enabling the bank to gain value from Ascent's technology in the shortest possible timeframe and setting a new standard for time to deployment in the industry. This major agreement not only validates increasing traction and demand for NFS Ascent® in the United Kingdom, but also its European market readiness.
- NETSOL announced its first North American customer for NFS Ascent®. This was done as the company secured a contract with SCI Lease Corp, a Canadian-based national automotive leasing company, for the deployment of its NFS Ascent® Contract Management System (CMS) on the cloud. This contract represented NETSOL's first official sale of NFS Ascent® in the North American market and also the first Software-as-a-Service (SaaS) based agreement for Ascent in this region.
- A major American multinational automaker went live in China with NETSOL's next-gen solution NFS Ascent's® Retail Platform. This deployment covered the complete Ascent® Retail Platform, which includes its Omni-Point of Sale (Omni-POS) and Contract Management System (CMS). This multi-million-dollar contract marked the second successful implementation of NETSOL's next-gen product NFS Ascent® in China.
- NETSOL went live with its NFS Ascent® Wholesale Platform with BMW Automotive Finance in China. This second largest customer has a strong presence in China as well as the rest of the Asia-Pacific region, and this deployment was part of a previously announced \$30 million contract in which NETSOL was selected as the vendor of choice after an extensive evaluation process.
- NETSOL went live with its NFS Digital Mobile Collector application for a top tier multi-finance company in Indonesia. This mCollector go-live, which was part of a larger contract originally signed in 2018, was carried out to improve the client's existing business practices through the use of new digital technology.

- As part of the previously announced \$100 million plus contract with Daimler Financial Services, the largest signing in NETSOL's history, for implementations in 12 countries, NFS Ascent® went live in Hong Kong. NETSOL implemented its NFS Ascent® Retail Platform, consisting of its Omni Point of Sale (Omni POS) and Contract Management System (CMS), for this existing customer.
- As part of the DFS contract, the Company's next-gen solution NFS Ascent® also went live in Malaysia. This implementation consisted of the full suite of NFS Ascent®, including its Omni Point of Sale (Omni POS) and Contract Management System (CMS), as well as its Wholesale Finance System (WFS). Malaysia marked the ninth deployment to go live following successful implementations in Japan, China, South Africa, Thailand, New Zealand, Australia, South Korea, and Hong Kong. This series of deployments constitutes the largest and most prestigious contract signing in NETSOL's history.
- Pertaining to NETSOL's wholly-owned subsidiary Otoz, as the first in a number of planned rollouts, the new mobility technology startup announced the creation of an AI-powered chatbot that is intended to cater to renters and car owners, which will be integrated into the current Drivemate chat application LINE. Otoz also provided further information regarding its ongoing strategic partnership with Drivemate, the leading peer-to-peer car-sharing service in Thailand.
- Otoz also announced a pilot car-sharing program with an existing tier-one European auto captive finance customer in China. As part of the program, thousands of the auto captive's employees will be eligible to use flexible car-sharing products, all of which will be deployed on the Otoz platform. Among the many use cases and trials being conducted, Otoz will enable options for flexible car rentals as well as peer-to-peer car-sharing and other subscription-based programs.

#### TRANSFORMATION OF OUR BUSINESS DURING THESE UNUSUAL TIMES

We are taking sweeping actions to transform our business to preserve liquidity, sustain key investments improve performance, and position the Company to be more productive and competitive as the automotive industry rapidly changes. This ongoing effort involves a thorough review of our business, with numerous key transformational projects throughout every business until and function.

As we transform our business, we are working to reshape our infrastructure, streamline our overhead and organizational structure, strengthen the health of our pipeline and demand operational excellence into every corner of our business.

Some of the key 2020 actions included the following:



##### Infrastructure

Optimizing our headquarter space as well as our technology campus, to align with reduced demand and provide new remote and virtual working opportunities for our employees worldwide.



##### Overhead and Organization

Critically evaluating cost structure, and how we operate and are organized, with an eye toward simplification and reducing bureaucracy. We expanded the role of Mr. Naeem Ghauri to include President of NETSOL as of 2021.



##### Pipeline Health

Carefully managing pipeline while recalibrating potential customers at the same time improving efficiency, quality, and cost performance. We continue to implement new tools, systems and processes, such as JIRA and Agile Framework to further enhance productivity. We offer cloud enablers for NFS Ascent® at subscription based priced models to generate additional interest from prospects.





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE HIGHLIGHTS

For decades, NETSOL's innovations and products have helped transform leasing and finance industries. We believe in the power of technology for the greater good.

### Responsible Business.

We integrate responsible and sustainable practices throughout our organization. Our products are services oriented and designed, to not harm individuals, communities, or the environment. Because privacy and security are critical for success in the technologies industry, we constantly seek to promote data protection across all our implementation processes.

### Environmental Sustainability.

We work to be a positive force in protecting the environment by continually looking for ways to conserve water, reduce waste, recycle, and minimize energy consumption. As we repurpose our workspaces and operate our offices more efficiently globally, we focus on our environmental impact. Having our headquarters located in Southern California, we are at the epicenter of fires that remind us environmental sustainability is an everyday phenomenon. Globally, all our offices have developed and implemented a recycling, reducing waste and no plastics office space. All employees are encouraged to contribute to a safe and responsible work environment.

## PEOPLE AND CULTURE

The Company believes it has developed a strong corporate culture that is critical to its success. Its key values are delivering world-class quality software, client-focused timely delivery, leadership, long-term relationships, creativity, openness and transparency and professional growth. The services provided by NETSOL require proficiency in many fields, such as software engineering, project management, business analysis, technical writing, sales and marketing, and communication and presentation skills.

Due to the growing demand for our core offerings and IT services, retention of technical and management personnel is essential. Our employee turnover was under 10% in 2020 with a goal to maintain the turnover level under 10% during the 2021 fiscal year and onwards. In addition, we are committed to improving key performance indicators such as efficiency, productivity and revenue per employee.

### Human Capital.

In order to continue to produce innovative, breakthrough technologies, we continue to attract and retain top talent globally and we are proud of our team. To facilitate talent attraction and retention, we strive to retain a diverse, inclusive and safe workplace, with opportunities for our employees to grow and develop in their careers, supported by strong compensation, benefits and health and wellness programs, and by programs that build connections between our employees and their communities.

As of June 30, 2020, we had approximately 1,400 employee comprised of 80% software engineers, programmers, project managers, quality assurance, sales, pre-sales, business development, dedicated employees to core NFS™ and NFS Ascent® and 20% non-IT personnel, and 140 plus employees supporting the regional offerings as well as IT consulting and services. None of our employees are subject to a collective bargaining agreement.

**Diversity and Inclusion.** We believe that our growth and success are attributable in large part to the high caliber of our employees and our commitment to maintain the values on which our success has been based. We believe that a diverse workforce is critical to our success, and we continue to focus on the hiring, retention and advancement of women and underrepresented populations. Our female workforce overall in the Company is 20%. We provide transportation, daycare support, meal support and after school care support at our Technology Campus in Lahore, Pakistan. Some Lahore employees also receive free medical care. In addition, we provide flexible work schedules to almost all our employees and provide them with work from home opportunities. All employees, male and female, have access to gym facilities in our Pakistan and U.S. offices promoting the health and wellness of our staff.

**Giving Back to our Community.** NETSOL believes it should give back to the community and employees as much as possible. Certain of our subsidiaries are located in regions where basic services are not readily available. Where possible, NETSOL acts to not only improve the quality of life of its employees but also the standard of living in these regions. Examples of such programs are:

- **Humanitarian Relief:** We are all aware of the devastation that can be brought by natural disasters. NETSOL has historically supported earthquake and flood relief where the need is the greatest.
- **Literacy Program:** Launched to educate our illiterate employees, the main objective of this program is to enable these employees to acquire basic reading, writing and arithmetic skills.
- **Higher Education and Science and Research Institutions:** In order to support higher education in Pakistan, we have contributed endowments to NUST, Forman Christian College, and a few other universities who are focused on science and engineering.
- **Noble Cause Fund:** A noble cause fund has been established to meet medical and education expenses of the children of low paid employees. NETSOL employees voluntarily contribute a fixed amount every month to the fund and the Company matches the employee subscriptions with an equivalent contribution amount. A portion of this fund is also utilized to support social needs of certain institutions and individuals, outside NETSOL.
- **Day Care Facility:** NETSOL's human resources are its key assets and thus the Company takes numerous steps to ensure the provision of basic comforts to its employees. In Pakistan, the provision of outside pre-school childcare is a rarity. With this in mind, a children's day care facility has been created near NETSOL's offices providing employees with peace of mind knowing their children are nearby and being taken care of by qualified staff in a child friendly facility. Due to COVID-19 restrictions, the facility is temporarily closed.
- **Preventative Health Care Program:** In addition to the comprehensive outpatient and in-patient medical benefits, preventative health care has also been introduced. This phased program focuses on vaccination of our employees against such diseases as Hepatitis – A/B, Tetanus, Typhoid and Flu on a routine basis.

**Competition.** There is significant competition for employees with the skills required to perform the services we offer. The Company runs an elaborate training program for different cadre of employees to cover technical skills and business domain knowledge, as well as communication, management, and leadership skills. The Company believes that it has been successful in its efforts to attract and retain the highest level of talent available, in part because of the emphasis on core values, training and professional growth. We intend to continue to recruit, hire and promote employees who share our vision.

**ANNUAL MEETING BUSINESS**

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

NETSOL's articles of incorporation and bylaws provide that directors are elected to serve a one-year term of office, expiring at the next annual meeting of shareholders. Our articles of incorporation establish up to nine directors, with the exact number to be fixed from time to time by resolution of the Board of Directors.

Directors are elected by a majority of votes, which means that the nominees receiving the most votes will be elected. Shareholders are not entitled to cumulate votes in the election of directors. In determining the votes cast for the election of a director, abstentions and broker non-votes are excluded. The Nominating and Corporate Governance Committee considers the offer of resignation and recommends to the Board whether to accept it. The policy requires the Board to act on the Nominating and Corporate Governance Committee's recommendation within 90 days following the shareholder meeting. Board action on the matter requires the approval of a majority of the independent directors.

The Board of Directors has nominated the following directors for election to one-year terms that will expire at earlier of their removal or replacement or at the 2021 annual meeting:

Najeeb Ghauri

Mark Caton

Malea Farsai

Henry Tolentino

Kausar Kazmi

The individuals appointed as proxies intend to vote "FOR" the election of the nominees listed above. If any nominee is not available for election, the individuals named in the proxy intend to vote for such substitute nominee as the Board of directors may designate. Each nominee has agreed to serve on the board and we have no reason to believe any nominee will be unavailable.

For the biography of each nominee as well as for Director Compensation, please refer to Page 21 of the Proxy.

***Board Recommendation:***



The Board of Directors recommends shareholders vote "FOR" the election of each of the five director nominees.

**PROPOSAL 2**

**RATIFICATION OF APPOINTMENT OF BF BORGERS CPA PC AS THE COMPANY'S INDEPENDENT AUDITORS FOR FISCAL YEAR 2021**

The Audit Committee is directly responsible for the appointment, compensation, retention, and oversight of the Company's independent registered public accounting firm. The Audit Committee engages in an annual evaluation of the independent public accounting firm's qualifications, assessing a wide variety of factors.

The Audit Committee had appointed KSP Group, Inc. ("KSP" or "KSP Group") as the independent registered public accounting firm to audit the Company's financial statements for the year ending June 30, 2019. On December 23, 2019, KSP Group was dismissed as the independent registered public accounting firm of the Company. This dismissal was necessitated by the merger of KSP Group with BF Borgers CPA PC ("Borgers CPA"). The auditing team who audited and reviewed NETSOL's financial statements will continue at Borgers CPA. Borgers CPA audited the Company's financial statements for the fiscal year ended June 30, 2020 and KSP audited the Company's financial statements for the fiscal year ended June 30, 2019.

A majority of the votes cast, in person or by proxy, at the Annual Meeting, is required for the ratification of the appointment of the independent registered public accounting firm. Should the shareholders not ratify the selection of Borgers CPA, it is contemplated that the appointment of Borgers CPA will be permitted to stand unless the Audit Committee finds other compelling reasons for making a change. Disapproval by the shareholders will be taken into consideration for the selection of the independent registered public accounting firm for the coming year.

**PRINCIPAL ACCOUNTANT FEES AND SERVICES**

**Audit Fees**

BF Borgers audited the Company's financial statements for the fiscal year ended June 30, 2020 and KSP audited the Company's financial statements for the fiscal year ended June 30, 2019. The aggregate fees billed by principal accountants for the annual audit and review of financial statements included in the Company's Form 10-K, services related to providing an opinion in connection with our public offering of shares of common stock and/or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the year ended June 30, 2020 was \$250,000 and for the year ended June 30, 2019 was \$280,000.

**Tax Fees**

Tax fees for fiscal year 2020 were \$15,000 and consisted of the preparation of the Company's federal and state tax returns for the fiscal years 2019. Tax fees for fiscal year 2019 were \$15,000 and consisted of the preparation of the Company's federal and state tax returns for the fiscal year 2018.

**All Other Fees**

No other fees were paid to principal accountant during the fiscal year 2020 and 2019.

**Pre-Approval Procedures**

The Audit Committee and the Board of Directors are responsible for the engagement of the independent auditors and for approving, in advance, all auditing services and

permitted non-audit services to be provided by the independent auditors. The Audit Committee maintains a policy for the engagement of the independent auditors that is intended to maintain the independent auditor's independence from NETSOL. In adopting the policy, the Audit Committee considered the various services that the independent auditors have historically performed or may be needed to perform in the future. The policy, which is to be reviewed and re-adopted at least annually by the Audit Committee:

- (i) Approves the performance by the independent auditors of certain types of service (principally audit-related and tax), subject to restrictions in some cases, based on the Committee's determination that this would not be likely to impair the independent auditors' independence from NETSOL.
- (ii) Requires that management obtain the specific prior approval of the Audit Committee for each engagement of the independent auditors to perform other types of permitted services; and
- (iii) Prohibits the performance by the independent auditors of certain types of services due to the likelihood that their independence would be impaired.

Any approval required under the policy must be given by the Audit Committee, by the Chairman of the Committee in office at the time, or by any other Committee member to whom the Committee has delegated that authority. The Audit Committee does not delegate its responsibilities to approve services performed by the independent auditors to any member of management.

The standard applied by the Audit Committee in determining whether to grant approval of an engagement of the independent auditors is whether the services to be performed, the compensation to be paid therefore and other related factors are consistent with the independent auditors' independence under guidelines of the Securities and Exchange Commission and applicable professional standards. Relevant considerations include, but are not limited to, whether the work product is likely to be subject to, or implicated in, audit procedures during the audit of NETSOL's financial statements; whether the independent auditors would be functioning in the role of management or in an advocacy role; whether performance of the service by the independent auditors would enhance NETSOL's ability to manage or control risk or improve audit quality; whether performance of the service by the independent auditors would increase efficiency because of their familiarity with NETSOL's business, personnel, culture, systems, risk profile and other factors; and whether the amount of fees involved, or the proportion of the total fees payable to the independent auditors in the period that is for tax and other non-audit services, would tend to reduce the independent auditors' ability to exercise independent judgment in performing the audit.

**Summary of Fees**

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Audit Fees	\$ 250,000	\$ 280,000
Audit-Related Fees	-	-
Tax Fees	15,000	15,000
All other Fees	-	-
<b>Total</b>	<b>\$ 265,000</b>	<b>\$ 295,000</b>

**Board Recommendation:**



**THE COMPANY'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE RATIFICATION OF BF BORGERS CPA PC AS INDEPENDENT AUDITOR FOR FISCAL YEAR 2021.**

**PROPOSAL 3**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

A "Say-on-Pay" advisory vote is required for all U.S. public companies under Section 14A of the Securities Exchange Act of 1934, as amended. In accordance with this law, we are asking shareholders to approve, on an advisory basis, the compensation of the Company's named executive officers disclosed in the Compensation Discussion and Analysis section on page 27. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the named executive officers and the philosophy, policies and practices described in this proxy statement.

For the reasons discussed below, the Board of Directors recommends that you vote FOR approval of the advisory vote on executive compensation because it believes that the policies and practices described in the Compensation Discussion and Analysis are effective in achieving the Company's goals of rewarding sustained financial and operating performance and leadership excellence, aligning the executives' long-term interests with those of the shareholders and motivating the executives to remain with the Company for long and productive careers. Named executive officer compensation of the past three years reflects amounts of cash and long-term equity awards consistent with periods of economic stress and lower earnings, and equity incentives aligning with our actions to stabilize the Company and to position it for a continued recovery.

We urge shareholders to read the Compensation Discussion and Analysis beginning on page 27 of this proxy statement, as well as the Summary Compensation Table and related compensation tables, notes and narrative, appearing on pages 33 through 38, which provide detailed information on the Company's compensation policies and practices and the compensation of our named executive officers.

**Vote Required**

Approval of the advisory vote on executive compensation requires the affirmative vote of a majority of the shares of our common stock present in person or represented by proxy and entitled to vote at the meeting. While this advisory vote on executive compensation is non-binding, the Board and the Compensation Committee will review and consider the voting results when evaluating our executive compensation program. Currently, the Board seeks the shareholders vote on Executive Compensation every year. The next time the shareholders have an opportunity to vote on this matter is on the proxy for fiscal year 2021.

**Board Recommendation**



**THE COMPANY'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ADVISORY VOTE ON EXECUTIVE COMPENSATION.**

## CORPORATE GOVERNANCE, BOARD OF DIRECTORS

### MEETINGS AND BOARD COMMITTEES

#### Nomination of Directors:

The Board is responsible for nominating members to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders, in each case based upon the recommendation of the nominating and corporate governance committee. The committee seeks input from other Board members and senior management to identify and evaluate nominees for director. The committee may hire a search firm or other consultants. The committee will consider nominees recommended by shareholders for election to the Board provided the names of such nominees, accompanied by relevant biographical information, and relevant information about the shareholder submitting the nominee, are provided in writing to our secretary in accordance with the requirements of our bylaws.

#### Director Independence:

The Board has determined that independent directors must have no material relationship with the Company, based on all material facts and circumstances. At a minimum, an independent director must meet each of the standards listed below.

1. The director, within the last three years, has not been employed by and has no immediate family member that has been an executive officer of the Company.
2. Neither the director nor any immediate family member has, in any 12-month period during the last three years, received more than \$120,000 in direct compensation from the Company other than compensation for director or committee service and pension or other deferred compensation for prior service.
3. Neither the director nor any immediate family member is a current partner of the Company's independent accountant's firm, the director is not a current employee of the independent accountant's firm, no immediate family member is a current employee of the independent accountant's firm working in its audit, assurance or tax compliance practice, and neither the director nor any immediate family member was an employee or partner of the independent accountant's firm within the last three years and worked on the Company's audit within that time.
4. Neither the director nor any immediate family member has, within the last three years, been part of an interlocking directorate. This means that no executive officer of the Company served on the compensation committee of a company that employed the director or an immediate family member.
5. The director is not currently an employee of and no immediate family member is an executive officer of another company that represented at least 2% or \$1 million, whichever is greater, of the Company's gross revenues, or of which the Company represented at least 2% or \$1 million, whichever is greater, of such other company's gross revenues in any of the last three fiscal years. Charitable contributions are excluded from this calculation.

For the purposes of these standards, "Company" includes all NETSOL subsidiaries and other affiliates. "Immediate Family Member" includes the director's spouse, domestic partner, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law. The independence standards for the members of the Audit Committee provide that, in addition to the foregoing standards, they may not receive any compensation other than director's fees for Board and Audit Committee service and permitted retirement pay, or be an "affiliate" of the Company apart from their capacity as a member of the Board as defined by applicable SEC rules.

The Common Stock is listed and traded on the NASDAQ Capital Market. The corporate governance rules of the NASDAQ Capital Market require that a majority of the Board consist of directors who are "independent" of the Company. The Board has determined each of the following directors and nominees for director qualify as "independent" in accordance with Rule 5605(a)(2)(A) and (B) of the NASDAQ listing standards for determining independence. Messrs. Mark Caton, Henry Tolentino and Syed Kausar Kazmi are independent Board members as described in the listing standards.

### Our Board Leadership Structure

#### *Why our Board leadership structure is right for NETSOL*

Our Board and Nomination and Corporate Governance Committee regularly review and evaluate the Board's leadership structure. Mr. Najeeb Ghauri serves as both NETSOL's CEO and Chairman of the Board, which the Board has determined is the most appropriate and effective leadership structure for the Board and the Company at this time. Mr. Ghauri has served in this dual capacity since 2006 and brings over 15 years of strategic leadership experience and an unparalleled knowledge of NETSOL's business, operations and risks to his role as Chairman of the Board. At this time, as a small-cap global corporation, the combination of these two positions is the most appropriate and suitable structure for proper, efficient and cost-effective Board functioning and communication. Mr. Najeeb Ghauri is the direct link between senior management globally and the Board members and provides critical insight to the Board, as well as feedback to senior management through his comprehensive understanding of the issues at hand. Mr. Ghauri's travels and visits to all subsidiaries across the globe, holding meetings with heads of each subsidiary and relaying the important aspects of such meetings to the Board, justify the need for Mr. Ghauri to hold his dual leadership position. To provide the Board with autonomy, the Board maintains majority independent members whom all head and participate in all Board committees. The CEO makes quarterly reports to the Board of Directors and answers questions posed by Directors. He also discusses with the Board the reasons for certain recommendations of the Company's executive management group.

The Board does not have a policy on whether the roles of the Chairman and CEO should be separated but believes the current combination of the two roles provides NETSOL with, among other things, a clear and effective leadership structure to communicate the Company's business and long-term strategy to its clients, shareholders and the public. The combined Chairman-CEO structure also provides for robust and frequent communication between the Board's independent directors and the management of the Company. Recently, having Mr. Najeeb Ghauri in the dual role was extremely effective as rapid, clear, decisive decisions were made in the midst of the global COVID-19 pandemic effecting all of NETSOL's subsidiaries.

#### *Board Composition and Refreshment*

We believe the Board benefits from a mix of new directors who bring fresh perspectives and longer-serving directors, who bring valuable experience, continuity and a deep understanding of the Company. The Board strives to maintain an appropriate balance of tenure, turnover, diversity, skills and experience. Recently as long serving Board members retire, we believe new nominees bring fresh new perspective diversity and ideas to the Board. To promote thoughtful Board refreshment, we have:

- Developed a comprehensive, ongoing Board succession planning process;
- Implemented an annual Board and Committee assessment process; and
- Look to our Advisory Board for input and critique.

The average age of our Director nominees and our Independent Director nominees is 66 years and 70 years respectively.

Throughout the director selection and nomination process, the Nominating and Corporate Governance Committee and the Board seek to achieve diversity within the Board with various viewpoints, perspectives and expertise that are representative of our global business. Once elected, the Directors periodically visit NETSOL's operations, globally. This provides the Directors with an opportunity to see firsthand the execution and impact of the Company's strategy and engage with senior leaders and associates in our subsidiaries to deepen their understanding of NETSOL's business, competitive environment and corporate culture. This year, because of the Covid-19 pandemic, no visits to any of NETSOL's operations took place.

In his first year as the Audit Committee Chair, Mr. Kazmi offers a breadth of experience in finance and banking industry as head of commercial banking and business development with Habib Bank Zurich PLC, UK. He is well versed in finances and is providing valuable insight to the audit committee. NETSOL continues to obtain diverse viewpoints and experiences from various ages, gender, business backgrounds that come together from various parts of the world to form the Board of Directors of NETSOL.

There are five members of the Board of Directors; however, only independent members serve on the key Board Committees.

*Role of Board in Oversight of Risks:*

Like all companies, NETSOL faces a variety of risks, both internal and external, and many factors work simultaneously to affect the Company's overall business risk. The Board recognizes that the Company's business risk is not static, and that it is not possible to mitigate all risk and uncertainty. The Board does not have a standing risk management committee but administers this oversight function directly through the Board as a whole, as well as through Committees of the Board. For example, the Audit Committee assists the Board in its risk oversight function by reviewing and discussing with management our accounting principles, financial reporting practices and system of disclosure controls and internal controls over financial reporting. The Nominating and Corporate Governance Committee assist the Board in its risk oversight function by periodically reviewing and discussing with management important corporate governance principles and practices and by considering risks related to our director nominee evaluation process and legacy. This Committee also ensures that the Company maintains a positive and effective Board leadership and is up to date with internal policies such as the Company's Code of Ethics. The Compensation Committee assists the Board in its risk oversight function by considering risks relating to the design of our executive compensation programs and arrangements. The full Board considers strategic risks and opportunities and receives reports from the committees regarding risk oversight in their areas of responsibility as necessary.

The Company believes the Board leadership structure facilitates the division of risk management oversight responsibilities among the Board committees and enhances the Board's efficiency in fulfilling its oversight function with respect to different areas of our business risks and our risk mitigation practices. The Board of Directors and the management team are committed to continuous improvement and strengthening of the Company's risk management practices.

**Board of Directors Meetings:**

During the fiscal year ended June 30, 2020, the Board of Directors of the Company did not meet in person due to the global pandemic; however, they met virtually four times. The Board also acted by written consent four times at which all Directors were available to vote unanimously. The Company requests that all Board members attend annual meetings of the Board; however, it is not mandatory.

**Board Committees:**

The Board of Directors of the Company has an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. The charters for the Audit, Compensation and Nominating and Corporate Governance Committees are posted on the Company's web site at [www.netsoltech.com](http://www.netsoltech.com) (select "About Us" then "Corporate Governance" and finally, the desired committee charter) <https://ir.netsoltech.com/board-committees>. All committee members are appointed by the Board of Directors and only Independent Board members serve on these committees.

The Audit Committee met four times, the Compensation Committee met one time, and the Nominating and Corporate Governance Committee met two times during fiscal year 2020.

**Committee Members:**

The Audit Committee is made up of Mr. Kazmi as Chairman, with Mr. Caton, and Mr. Tolentino as members. The Compensation Committee consists of Mr. Caton as its Chairman, with Mr. Kazmi and Mr. Tolentino as its members. The Nominating and Corporate Governance Committee consists of Mr. Tolentino as Chairman, with Mr. Caton and Mr. Kazmi as members.

The table below provides the membership for each of the committees during Fiscal Year 2020.

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Najeeb Ghauri (Chairman of the Board)			
Malea Farsai			
Mark Caton (I)	X	X(C)	X
Kausar Kazmi (I)(A)	X(C)	X	X
Henry Tolentino (I)	X	X	X(C)

(I) Denotes an Independent Director.

(C) Denotes the Chairperson of the Committee.

(A) Mr. Kazmi became Audit Committee Chairman as of July 2020 replacing Mr. Burki who did not stand for re-election in June 2020.

**Audit Committee:**

The Company has an Audit Committee whose members are the independent directors of the Company, specifically, Mr. Kazmi as Chairman, and Mr. Caton and Mr. Tolentino.

The Audit Committee met four times remotely during fiscal 2020. The Audit Committee was established by the Board for the purpose of overseeing the Company's accounting and financial reporting processes and the audits of the Company's financial statements and reviewing the financial reports and other financial information provided by the Company to any governmental body or the public and the Company's systems of internal controls regarding finance, accounting, legal compliance, and ethics. Its primary duties and responsibilities are to: (i) serve as an independent and objective party to monitor the Company's financial reporting process, audits of the Company's financial statements, and the Company's internal control system and (ii) appoint from time to time, evaluate, and, when appropriate, replace the registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company, determine the compensation of such "outside auditors" and

the other terms of their engagement, and oversee the work of the outside auditors. The Company's outside auditors' report directly to the Audit Committee. The Audit Committee is also charged with establishing procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. In summary, the Audit Committee is generally responsible for:

- Appointing, compensating, retaining and overseeing NETSOL's independent registered public accounting firm.
- Reviewing the annual report of NETSOL's independent registered public accounting firm related to quality control.
- Reviewing NETSOL's annual and quarterly reports to the SEC, including the financial statements and the "Management's Discussion and Analysis" portion of those reports, and recommending appropriate action to the Board.
- Reviewing NETSOL's audit plans.
- Reviewing relationships between the independent registered public accounting firm and NETSOL.
- Reviewing trends in accounting policy changes that are relevant to the Company.

The Audit Committee has reviewed and discussed the consolidated financial statements with management and Borgers CPA. Management is responsible for the preparation, presentation and integrity of NETSOL's financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)). Borgers CPA is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America.

The Audit Committee has discussed with Borgers CPA, the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, "Communication with Audit Committees". In addition, Borgers CPA has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, as amended, "Independence Discussions with Audit Committees," and the Audit Committee has discussed with Borgers CPA Group their firm's independence.

As of December 23, 2019, the Audit Committee found it was in the best interests of the Company to engage the services of Borgers CPA for the Company's auditing, accounting and tax needs for the upcoming fiscal year.

#### *Audit Committee Financial Expert.*

The Company has identified its audit chairperson, Mr. Kausar Kazmi as its audit committee financial expert. Mr. Kazmi is an independent Board member as the term is defined in the NASDAQ Listing Rules. Mr. Kazmi offers a breadth of experience in finance and banking industry as head of commercial banking and business development with Habib Bank Zurich PLC, UK. Mr. Kazmi's his tenure as both an Audit Committee member and Chairman of the Audit Committee as well as over 40 years in the banking and financial sector, provides him with an understanding of generally accepted accounting principles and financial reporting. Additionally, this experience provides an ability to assess the general application of accounting principles in connection with the accounting for estimates, accruals and reserves; experience analyzing financial statements that were comparable in the breadth and complexity of issues that can be reasonably expected to be raised by the Company's financial statements; an understanding of internal control over financial reporting; and an understanding of audit committee functions.

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## **AUDIT COMMITTEE REPORT**

The Audit Committee of the Board of Directors has furnished the following report:

As noted in the Committee's charter, NETSOL management is responsible for preparing the Company's financial statements. The Company's independent registered public accounting firm is responsible for auditing the financial statements. The activities of the committee are in no way designed to supersede or alter those traditional responsibilities. The Committee's role does not provide any special assurances with regard to NETSOL's financial statements, nor does it involve a professional evaluation of the quality of the audits performed by the independent registered public accounting firm.

The Committee has reviewed and discussed with management and the independent accounting firm, as appropriate, the audited financial statements.

The Committee has discussed with Borgers CPA, the required communications specified by auditing standards together with guidelines established by the SEC and the Sarbanes-Oxley Act.

The Committee has received the written disclosures and the letter from the independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board, regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence and has discussed with Borgers CPA the firm's independence.

Based on the review and discussions referred to above, the Committee recommended to the Board of Directors that the audited financial statements be included in the Company's report on Form 10-K for 2020 for filing with the SEC.

Kausar Kazmi, Chairman  
Mark Caton  
Henry Tolentino

## **Nominating & Corporate Governance Committee.**

The Nominating & Corporate Governance Committee is comprised of Messrs. Tolentino (Chairman), Caton and Kazmi all of whom are independent within the meaning of the NASDAQ listing standards and Rule 10A-3(b) under the 34 Act. This Committee met virtually twice during the 2020 fiscal year. The primary function of the Nominating Committee is to assist the Board in fulfilling its responsibilities with respect to Board and committee membership and shareholder proposals. Its primary duties and responsibilities are to: (i) establish criteria for Board and committee membership and recommend to the Board proposed nominees for election to the Board; and (ii) make recommendations regarding proposals and nominees for director submitted by shareholder of the Company.

The Nominating & Corporate Governance Committee will consider director nominees recommended by shareholder. A shareholder who wishes to recommend a person or persons for consideration as a Company nominee for election to the Board of Directors must send a written notice by mail to: Corporate Secretary, NETSOL Technologies, Inc., 23975 Park Sorrento, Suite 250, Calabasas, CA, 91302 or by fax to: 818-222-9197, that sets forth (i) the name of each person whom the shareholder recommends be considered as a nominee; (ii) a business address and telephone number for each nominee (an e-mail address may also be included) and (iii) biographical information regarding such person, including the person's employment and other relevant experience. Shareholder considerations will only be considered if delivered or mailed and received at the principal executive offices of the Company not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of shareholder; *provided, however*, that in the event that the annual meeting is called for a date that is not within sixty (60) days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date

of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

The Company's Nominating Committee recommends that a nominee for a position on the Company's Board of Directors meet the following minimum qualifications:

- He or she must be over 21 years of age.
- He or she must be able to read and understand basic financial statements.
- He or she must have experience in a position with a high degree of responsibility in a business or other organization.
- He or she must possess integrity and have high moral character.
- He or she must be willing to apply sound, independent business judgment.
- He or she must have sufficient time to devote to the Company.

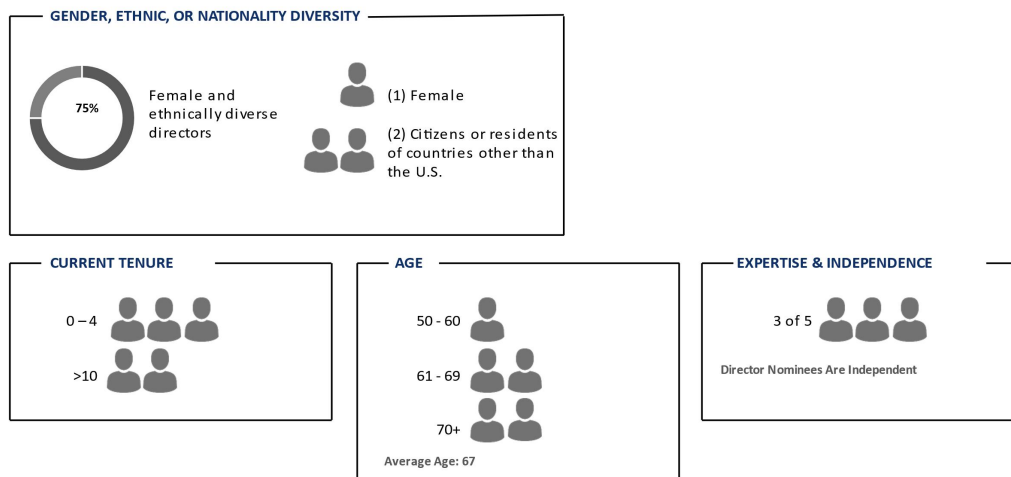
### Board Composition

Our Nominating and Corporate Governance Committee is responsible for reviewing with the Board of Directors, on an annual basis, the appropriate characteristics, skills and experience required for the Board of Directors as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the nominating and corporate governance committee, in recommending candidates for election, and the Board of Directors, in approving (and, in the case of vacancies, appointing) such candidates, takes into account many factors, including the following:

- Whether the potential nominee has leadership, strategic, or policy setting experience in a complex organization, including any scientific, governmental, educational, or other non-profit organization.
- Whether the potential nominee has experience and expertise that is relevant to the Company's business, including any specialized business experience, technical expertise, or other specialized skills, and whether the potential nominee has knowledge regarding issues affecting the Company.
- Whether the potential nominee is highly accomplished in his or her respective field.
- In light of the relationship of the Company's business to the field of technology, whether the potential nominee has received any awards or honors in the fields of technology or engineering and whether he or she is recognized as a leader in that field.
- Whether the addition of the potential nominee has practical and mature business judgment including the ability to make independent analytical inquiries.
- Whether the addition of the potential nominee to the Board of Directors would assist the Board of Directors in achieving a mix of Board members that represents a diversity of background and experience, including diversity with respect to age, gender, national origin, race, and competencies.
- Whether the potential nominee has high ethical character and a reputation for honesty, integrity, and sound business judgment.
- Whether the potential nominee can work collegially with others.
- Whether the potential nominee is independent, as defined by NASDAQ listing standards, whether he or she is free of any conflict of interest or the appearance of any conflict of interest with the best interests of the Company and its shareholder, and whether he or she is willing and able to represent the interests of all shareholders of the Company.
- Any factor which would prohibit the potential nominee to devote sufficient time to its business, and Any other relevant qualifications, attributes, or skills.

In addition, with respect to an incumbent director whom the nominating committee is considering as a potential nominee for re-election, the Company's nominating committee reviews and considers the incumbent director's service to the Company during his or her term, including the number of meetings attended, level of participation, and overall contribution to the Company. The manner in which the nominating committee evaluates a potential nominee will not differ based on whether the potential nominee is recommended by a shareholder or the Company. Our Board of Directors evaluates each individual in the context of the Board of Directors as a whole, with the objective of assembling a group that can best maximize the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas. The Nominating Chairman prepared a blind questionnaire for all board members to evaluate the Board's current risk management, succession, autonomy, and other matrix.

The Company did not pay any fee to any third party to identify or evaluate or assist in identifying or evaluating potential nominees for director at the fiscal year 2020 Annual Meeting of shareholders. The Company did not receive, by March 1, 2021 (the 120th calendar day before the first anniversary of the date of the Company's 2019 proxy statement, any recommended nominee from a shareholder who beneficially owns more than 5% of the Company's stock or from a group of shareholders who beneficially own, in the aggregate, more than 5% of the Company's stock.



The Compensation Committee is comprised of Messrs. Caton (Chairman), Kazmi and Tolentino all of whom are independent within the meaning of the NASDAQ listing standards and Rule 10A-3(b) under the 34 Act. The Compensation Committee met virtually once during the 2020 fiscal year. The primary function of the Compensation Committee is to assist the Board in fulfilling its oversight responsibilities relating to officer and director compensation.

Compensation Committee's primary duties and responsibilities are to:

- (i) oversee the development and implementation of the compensation policies, strategies, plans, and programs for the Company's executive officers and outside directors;
- (ii) review and determine the compensation of the executive officers of the Company;
- (iii) oversee the selection and performance of the Company's executive officers and succession planning for key members of the Company's management; and,
- (iv) review and ensure compliance with the compensation rules and regulations applicable to the Company under the Dodd Frank Act and certain SEC disclosure rules.

The Compensation Committee's report is included below under "Compensation Discussion and Analysis".

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### **Compensation Policies and Practices**

Our commitment to design an executive compensation program that is consistent with responsible financial and risk management is reflected in the following summary of our policies and practices:

#### **What We do:**

- ✓ Review pay and performance alignment;
- ✓ Provide Variable vesting for awards granted under the Stock Plan;
- ✓ Maintain retention guidelines to prohibit sales during certain periods;
- ✓ Prohibit hedging, pledging or short selling NETSOL securities;
- ✓ Limit perquisites;
- ✓ Assess and mitigate compensation risk;
- ✓ Solicit annual independent consultant advice on CEO's compensation; and
- ✓ Conduct a review of the independence of the compensation consultant retained by the Compensation Committee.

#### **What We Don't do:**

- x No dividends or dividend equivalents on unearned restricted stock, restricted stock units, stock options or stock appreciation rights;
- x No repricing of stock options;
- x No cash buyouts of underwater stock options;
- x No tax reimbursements for perquisites;
- x No tax gross-ups for excise taxes; and
- x No supplemental retirement benefits.

### **Director Attendance at Annual Meetings**

Our Board of Directors has a policy of encouraging director attendance at our annual meetings of stockholders, but attendance is not mandatory. Our Board members reside around the globe and at times physical attendance at the meetings is not feasible. All board and committee meetings during the pandemic were held virtually.

### **Shareholder Communications with the Board of Directors**

We provide a process for shareholders to send communications to the Board of Directors, the non-employee members as a group or any of the directors individually. Shareholders may contact any of the directors, including the non-employee directors, by writing to them c/o the Corporate Secretary, NetSol Technologies, Inc., 23975 Park Sorrento, Suite 250, Calabasas, California, 91302. Such communications will be reviewed by our Secretary, who shall remove communications relating to solicitations, junk mail, customer service concerns and the like. All other shareholder communications shall be promptly forwarded to the applicable member(s) of our Board of Directors or to the entire Board of Directors, as requested in the shareholder communication.

### **Shareholder Engagement**

As part of our Shareholder outreach, we engaged with eleven shareholders in January 2020 at an Investor Luncheon before the Covid-19 Pandemic prohibited in person meetings. We provided an overview of NETSOL's business and the outlook including a presentation of Otoz, Inc., our mobility system.

Our CEO and CFO engage in meaningful dialogue with our shareholders through our quarterly earnings calls and calls post quarterly reporting, as well as investor-related outreach events procured through our Investor Relations. We encourage any shareholder wanting to provide feedback or reach out to us to contact our Investor Relations Company, Gateway Investor Relations at [www.gatewayir.com](http://www.gatewayir.com).

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### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

SEC regulations require all transactions to be disclosed in proxy statements, which are commonly referred to as "related person transactions." A "related person" is defined under the applicable SEC regulation and includes our directors, executive officers, 5% or more beneficial owners of our common stock, and each of their immediate family members. The Board of Directors will only approve a transaction only if it determines that the transaction is not inconsistent with, the best interests of the Company and its shareholders.

On May 31, 2017, Faizaan Ghauri, son of CEO Najeeb Ghauri, and an employee of the Company, was appointed CEO of WRLD3D by the Board of WRLD3D which does not include Najeeb Ghauri.

The Company entered into an agreement with WRLD3D, whereby the Company was issued a Convertible Promissory Note (the "Convertible Note") which was fully executed on May 25, 2017. The maximum principal amount of the Convertible Note is \$750,000, and as of June 30, 2018, the Company had disbursed \$750,000. The Convertible Note bears interest at 5% per annum and all unpaid interest and principal is due and payable upon the Company's request on or after February 1, 2018.

The Company entered into an agreement with WRLD3D, whereby NETSOL Thai was issued a Convertible Promissory Note (the "Thai Convertible Note") which was fully



executed on February 9, 2018. The maximum principal amount of the Convertible Note is \$2,500,000, and as of June 30, 2019, NETSOL Thai had disbursed \$2,500,000. The Thai Convertible Note bears interest at 10% per annum and all unpaid interest and principal is due and payable upon NETSOL Thai's request on or after March 31, 2019.

The Company entered into an agreement with WRLD3D, whereby the Company was issued a Convertible Promissory Note (the "April 1, 2019 Note") which was fully executed on April 1, 2019. The maximum principal amount of the April 1, 2019 Note is \$600,000, and as of June 30, 2020, the Company had disbursed \$600,000. The April 1, 2019 Note bears interest at 10% per annum and all unpaid interest and principal is due and payable upon the Company's request on or after March 31, 2020.

The Company entered into an agreement with WRLD3D, whereby the Company was issued a Convertible Promissory Note (the "August 2019 Note") which was fully executed on August 19, 2019. The maximum principal amount of \$400,000 was paid on September 9, 2019. The August 2019 Note bears interest at 10% per annum and all unpaid interest and principal is due and payable upon the Company's request on or after March 31, 2020.

Najeeb Ghauri, CEO and Chairman of the Board, and Naeem Ghauri, Director, have a financial interest in G-Force, LLC which purchased a 4.9% investment in WRLD3D for \$1,111,111.

#### **Director Compensation Policy**

Mr. Najeeb Ghauri and Ms. Farsai are not paid any fees or other compensation for services as members of our Board of Directors.

The Committee relied on a survey conducted by Compensation Resources, Inc. in setting the compensation for the non-employee members of our Board of Directors. As with named executives, the aim is to compensate the Board of Directors at the mean of peer companies. Any additional cash and/or equity compensation for the fiscal year beginning was designed to maintain this mean.

The non-employee members of our Board of Directors received as compensation for services as directors as well as reimbursement for documented reasonable expenses incurred in connection with attendance at meetings of our Board of Directors and the committees thereof. The Company paid the following amounts to members of the Board of Directors for the activities shown during the fiscal year ended June 30, 2020.

BOARD ACTIVITY	CASH PAYMENTS
Board Member Fee	\$ 205,506
Chairperson for Audit Committee	\$ 7,820
Chairperson for Compensation Committee	\$ 5,864
Chairperson for Nominating and Corporate Governance Committee	\$ 3,910
	<u>\$ 223,100</u>

Independent members of our Board of Directors are also eligible to receive stock option or stock award grants both upon joining the Board of Directors and on an annual basis in line with recommendations by the Compensation Committee, which grants are non-qualified stock options under our Employee Stock Option Plans. Further, from time to time, the non-employee members of the Board of Directors are eligible to receive stock grants that may be granted if and only if approved by the shareholders of the Company.

On September 12, 2016, the Compensation Committee granted independent board members 19,834 shares of common stock vesting at 50% immediately and rest at the completion of each year served commencing with the period ended September 30, 2017 and ending September 30, 2021.

#### **Director Compensation Table**

The following table sets forth a summary of the compensation earned by our Directors and/or paid to certain of our Directors pursuant to the Company's compensation policies for the fiscal year ended June 30, 2020, other than Najeeb Ghauri and Malea Farsai who were paid as part of their employment agreements with the Company and not as directors.

NAME	FEES EARNED OR PAID IN		TOTAL (\$)
	CASH (\$)	SHARE AWARDS (\$)(1)	
Shahid Javed Burki*	59,197	55,845	115,042
Mark Caton	57,240	54,396	111,636
Henry Tolentino	55,287	40,952	96,239
Kausar Kazmi	51,376	38,057	89,433
	<u>223,100</u>	<u>189,250</u>	<u>412,350</u>

(1) In fiscal 2020, the Directors' fee structure was 60% cash and 40% common stock. During the fiscal year ended June 30, 2020, there were 15,171 shares issued to Mr. Shahid Javed Burki, 14,734 shares issued to Mr. Mark Caton, 12,317 shares issued to Mr. Henry Tolentino and 11,445 shares issued to Mr. Kausar Kazmi.

(\*) Mr. Burki's term as director ended in June 2020 and he did not stand for re-election.

#### **Compensation Committee Interlocks and Insider Participation**

The current members of the Compensation Committee are Messrs. Caton (Chairman), Mr. Kazmi and Mr. Tolentino. There were no other members of the committee during the fiscal year ended June 30, 2020. All current members of the Compensation Committee are "independent directors" as defined under the NASDAQ Listing Rules. None of these individuals were at any time during the fiscal year ended June 30, 2020, or at any other relevant time, an officer or employee of the Company.

No executive officer of the Company serves as a member of the Board of Directors or Compensation Committee of any entity that has one or more executive officers serving as a member of the Company's Board of Directors or Compensation Committee.

#### **CODE OF ETHICS**

The Company adopted its Code of Ethics on July 2, 2004, as amended and restated on July 22, 2007, and on September 10, 2013; and again, on November 4, 2014; the code as applicable to every officer, director and employee of the Company, including, but not limited to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or employees performing similar functions. Our Code of Ethics has been posted on our website and may be viewed at <http://ir.netsoltech.com/governance-docs>.

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock, its only class of outstanding voting securities as of April 26, 2021, by (i) each person who is known to the Company to own beneficially more than 5% of the outstanding common Stock with the address of each such person, (ii) each of the Company's present directors and officers, and (iii) all officers and directors as a group:

Name of Beneficial Owner (1)	Number of Shares Beneficially Owned (2)	Percentage (4)
Najeeb Ghauri	(3) 785,201	6.94%
Naeem Ghauri	(3)(6) 406,689	3.60%
Shahid Javed Burki	(3)(6) 159,611	1.41%
Mark Caton	(3) 101,580	*
Henry Tolentino	(3) 27,313	*
Patti McGlasson	(3) 80,109	*
Roger Almond	(3) 27,913	*
Kausar Kazmi	(3) 11,445	*
Malea Farsai	(3) 39,811	*
Renaissance Technologies Holdings Corp.	(5) 793,360	6.52%
All officers and directors as a group (nine persons)	1,639,672	11.95%

\* Less than one percent

(1) Except as otherwise indicated, the Company believes that the beneficial owners of the common stock listed below, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities.

(2) Beneficial ownership is determined in accordance with the rules of the Commission and generally includes voting or investment power with respect to securities. Shares of common stock relating to share grants that will vest or options currently exercisable or exercisable within 60 days of April 26, 2021, are deemed outstanding for computing the percentage of the person holding such securities but are not deemed outstanding for computing the percentage of any other person. Except as indicated by footnote, and subject to community property laws where applicable, the persons named in the table above have sole voting and investment power with respect to all shares shown as beneficially owned by them.

(3) Address c/o NETSOL at 23975 Park Sorrento, Suite 250, Calabasas, CA 91302.

(4) Shares issued and outstanding as of April 26, 2021 were 12,157,871 and 11,306,680, respectively as the latter does not include treasury shares.

(5) 5% or greater shareholder based on Schedule 13G filing on February 10, 2021.

(6) Messrs. Naeem Ghauri and Shahid Javed Burki did not stand for reelection in June 2020.

#### INFORMATION ABOUT DIRECTOR NOMINEES

The Board is currently comprised of five members.

Each nominee receiving a majority of affirmative votes of the shares present in person or represented by proxy and entitled to vote for them, a quorum being present, shall be elected as directors. Only votes cast for a nominee will be counted, except that the accompanying proxy will be voted for all nominees in the absence of instruction to the contrary. Abstentions, broker non-votes and instructions on the accompanying proxy to withhold authority to vote for one or more nominees will result in the respective nominees receiving fewer votes. However, the number of votes otherwise received by the nominee will not be reduced by such action.

The following table sets forth the names and ages of the current directors and executive officers of the Company, the principal offices and positions with the Company held by each person and the date such person became a director or executive officer of the Company. The Board of Directors elects the executive officers of the Company annually. Each year the stockholders elect the Board of Directors. The executive officers serve varying terms until their death, resignation or removal by the Board of Directors. In addition, there was no arrangement or understanding between any executive officer and any other person pursuant to which any person was selected as an executive officer.

The current director nominees of the Company are as follows:

Name	Year First Elected as an Officer or Director	Age	Position Held with the Registrant	Family Relationship
Najeeb Ghauri	1997	66	Chief Executive Officer, Chairman and Director	Brother to Naeem Ghauri
Mark Caton	2002	71	Director	None
Malea Farsai	2018	52	Director; Corporate Counsel	None
Henry Tolentino	2018	72	Director	None
Syed Kausar Kazmi	2019	67	Director	None

#### Director Qualifications

Under rules adopted by the Securities and Exchange Commission, the Company is required to describe the experience and qualification of those persons serving as directors or nominated for election as directors. The Nominating and Corporate Governance Committee, which is charged with the responsibility of evaluating nominees for director, has historically sought individuals with prior experience in business, professional practice or government, a commitment to community involvement and, perhaps most importantly, prior service as a member of the Board of Directors. Experience gained through these pursuits is viewed by the Nominating and Corporate Governance Committee as a strong indication that individuals nominated for election as directors will possess the attributes for successful service as a member of the Board.

**Najeeb U. Ghauri**, Director, *Chief Executive Officer and Chairman of the Board, NETSOL Technologies, Inc.*

Age 67

Director since 1997



**NAJEEB U. GHAURI** is the Chief Executive Officer and Chairman of NETSOL. He has been the Co-founder and director of the Company since 1997, Chairman since 2003 and Chief Executive Officer from January 1998 to September 2002 and from October 2006 to present. Mr. Ghauri was responsible for NETSOL listing on NASDAQ in 1999 and NETSOL Pakistan subsidiary listing on the Karachi Stock Exchange in 2005. Mr. Ghauri served as the Company's Chief Executive Officer from 1999 to 2001 and as the Chief Financial Officer from 2001 to 2005. As CEO, Mr. Ghauri is responsible for managing the day-to-day operations of the Company, as well as the Company's overall growth and expansion plan. In 2017, Mr. Najeeb Ghauri as the CEO, implemented a Company-wide initiative cutting costs which saved the Company in excess of \$7,000,000. Mr. Ghauri was also instrumental in the substantial increase in revenue for fiscal year end 2015. In addition, Mr. Ghauri traveled overseas multiple times to execute the largest contract for the Company, worth over \$100 million, in December 2015. Under his watch, NETSOL has become a leading player in China with innovation and a cutting-edge technology.

In September 2020, Mr. Ghauri was presented with the highest civilian award in Pakistan, "Sitar e Imtiaz", a medal of pride, in recognition for his work in IT and charitable causes in Pakistan. This medal was conferred by the President of Pakistan at the President House in Islamabad, Pakistan. Prior to joining the Company, Mr. Ghauri was part of the marketing team of Atlantic Richfield Company (ARCO) (now acquired by BP), a Fortune 500 company, from 1987-1997. Prior to ARCO, he spent nearly five years with Unilever as brand and sales managers. Mr. Ghauri attended Eastern Illinois University in 1977-78 for Bachelor of Science degree in Management/Economics. He earned an M.B.A. in Marketing Management from Peter F. Drucker School of Management, Claremont, California in 1981. Mr. Ghauri was elected Vice Chairman of US Pakistan Business Council in 2006, a Washington D.C. based council of US Chamber of Commerce. He is also very active in several philanthropic activities in emerging markets and is a founding director of Pakistan Human Development Fund, a non-profit organization, a partnership with UNDP to promote literacy, health services and poverty alleviation in Pakistan. Mr. Ghauri has participated in NASDAQ opening and/or closing bell ceremonies in 2006, 2008, 2009, 2015 and 2020.

*Skills and Qualifications:* Mr. Ghauri has an extensive executive, operational and strategic leadership experience in a global setting. Substantial experience in establishing management performance objective and establishing goals.

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**Mark Caton**, Director, *President of Ciena Financial, Inc.*

Age 71  
Director since 2007



**MARK CATON** joined the Board of Directors in 2007. Mr. Caton is currently President of Centela Capital, Inc. a diversified financial services company, a position he has held since 2006. Prior to joining Centela Capital, Mr. Caton was President of NETSOL Technologies USA, responsible for US sales, from June 2002 to December 2003. Mr. Caton was employed by ePlus from 1994 to 2002 as Senior Vice President-Business Development. He was a member of the UCLA Alumni Association Board of Directors and served on the Board of Directors of NETSOL from 2002-2003. Mr. Caton is a Chairman of the Compensation Committee and a member of the Audit and Nominating and Corporate Governance Committees. Mr. Caton received his BA from UCLA in psychology in 1971.

*Skills and Qualifications:* Mr. Caton has over 35 years of experience in sales, marketing and management in the financial leasing and software industries.

**Malea Farsai**, *Corporate Counsel, NETSOL Technologies, Inc.*

Age 52  
Director Since 2018



**MALEA FARSAI** joined the Board of Directors for the first time in 2018 and is currently the Company's Corporate Counsel. Before joining NETSOL in March 2000, Ms. Farsai was an associate at the law firm of Horwitz and Beam where she represented both domestic and international private and public clients from technology to apparel in various transactions. She has also worked on the formation of business startups and IPOs. Ms. Farsai was on the team that took NETSOL public and is the one who listed NETSOL on NASDAQ in 1999 and has maintained its listing since then to current. After nearly two decades with the Company, Ms. Farsai continues to work part-time as Corporate Counsel overseeing the Company's insurance as well as day to day corporate legal needs. She has also obtained many of NETSOL's various trademarks. Ms. Farsai has been actively updating and overseeing the Company's Corporate and Social Responsibilities (CSR) globally and has effectively established a 501(c)(3) foundation for NETSOL to continue its charitable work internationally. Prior to joining NETSOL, she practiced law with the law firm of Horwitz and Beam in Irvine, California from 1996-2000. Ms. Farsai received her B.A. degree from University of California, Irvine and her J.D. in 1996, and has been a member of the California State Bar since 1996. She sits on the board of various charitable organizations in Los Angeles.

*Skills and Qualifications:* Ms. Farsai has served the Company and its legal department since its inception and has a breadth of knowledge and understanding about NETSOL's business through her role as Corporate Counsel. She also has an understanding of Public Company corporate governance as well as the management and retention of a diverse group of employees.

**Henry Tolentino**, *Former President of Toyota Leasing, Thailand Co. Ltd., (Retired).*

Age 72  
Director Since 2018



**HENRY TOLENTINO** joined the Board of Directors for the first time in 2018. Mr. Tolentino brings more than 30 years of experience in the auto finance industry working with global manufacturers such as Toyota and General Motors. Prior to joining NETSOL's advisory board, Mr. Tolentino has held several executive positions at Toyota Leasing (Thailand) Co., Ltd., including most recently as president from 2006 to 2014 and then served as an advisor from 2015 to 2016. Prior to Toyota Leasing, Mr. Tolentino spent more than 10 years with Toyota Motor Credit Corporation, USA. He began his career in the auto finance industry with General Motors Acceptance Corporation. Mr. Tolentino joined the advisory board of NETSOL in September 2017 where he provided strategic advice to the senior management of the Company. Mr. Tolentino is the Chairman of the Nomination and Corporate Governance Committee and member of the Audit and Compensation Committees.

*Skills and Qualifications:* Mr. Tolentino has significant knowledge in international automobile manufacturing, business strategy and managing growth in the automotive industry.

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**Syed Kausar Kazmi**, *Head of Commercial Banking and Business Development, Habib Bank Zurich PLC, UK*

Age 67  
Director since 2019



**SYED KAUSAR KAZMI** joined the Board of Directors in 2019. Mr. Kazmi brings over 40 years of expertise in the banking industry and is currently the Head of Commercial Banking and Business Development at Habib Bank Zurich PLC, located in London where he has served in this capacity since 2016. Prior to this position, Mr. Kazmi served as the Head of Business Development for UK and Europe at Habib Bank AG Zurich in London from 2012-2016, before which Mr. Kazmi was the CEO of the UK operations of Habib Bank AG Zurich from 2009-2012. In 2018, Mr. Kazmi was awarded by Power 100, Parliamentary Review in association with The British Publishing Company a "Lifetime Achievement Award" for his significant and lasting impact on the banking sector. In addition, Mr. Kazmi has been awarded by the Asian Media Group the "GG2 Power List" celebrating Britain's 101 most influential Asians

from 2016-2018.

Mr. Kazmi received his BSc in Chemical Engineering with II Class Honors from Habib Institute of Technology in 1974. He sits on the board of many charitable organizations, with a focus on helping raise funds. Mr. Kazmi is the Chairman of the Audit Committee and is a member of the Nominating and Corporate Governance and Compensation Committees.

*Skills and Qualifications:* Mr. Kazmi has strong financial services and management expertise. He directs the operations of a financial services business, expending its focus on business development.

#### **No Arrangements of Understandings**

There are no arrangements or understandings between any nominee for director and any other person(s) pursuant to which such nominee was or is to be selected as a director or nominee.

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### **COMPENSATION DISCUSSION AND ANALYSIS**

NETSOL's Named Executive Officers ("NEOs"), a group comprised of the Chief Executive Officer, the Chief Financial Officer and the Secretary and General Counsel in the 2019-2020 fiscal year are the following individuals:

Najeeb Ghauri	Chief Executive Officer
Roger K. Almond	Chief Financial Officer
Patti L. W. McGlasson	Sr. V.P. Legal and Corporate Affairs, Secretary and General Counsel

#### **Introduction**

Our Compensation Committee is responsible for establishing and overseeing compensation programs that comply with NETSOL's executive compensation philosophy. As described in this Compensation Discussion and Analysis ("CD&A"), the Compensation Committee follows a disciplined process for setting executive compensation. This process involves analyzing factors such as company performance, individual performance, strategic goals and competitive market data to arrive at each element of compensation. The Compensation Committee approves compensation decisions for all executive officers. An independent compensation consultant helps the Compensation Committee by providing advice, information, and an objective opinion. This CD&A will focus on the compensation awarded to NETSOL's "named executive officers"—the Chief Executive Officer, Chief Financial Officer, and General Counsel, Corporate Secretary. You can find more complete information about all elements of compensation for the named executive officers in the following discussion and in the Summary Compensation table that appears on page 33.

#### **Impact of Covid-19 Pandemic**

On March 11, 2020, the World Health Organization designated the outbreak of the novel strain of coronavirus, known as COVID-19, as a global pandemic. Governments and businesses around the world have taken unprecedented actions to mitigate the spread of COVID-19, including but not limited to, shelter-in-place orders, quarantines, significant restrictions on travel, as well as restrictions that prohibit many employees from going to work. Our top concern is, and remains, the health and well-being of our employees around the world. To date, COVID-19 has surfaced in nearly all regions around the world and has impacted our sales channels, workforce, and other key aspects of our operations.

As a result of the pandemic's impact on our operational and financial results, in April 2020, the Company decided to freeze salaries for all executive leadership team and reduced salaries between 13.5% and 19%. At the same time, the Company also reduced the cash payout to the Independent Board of Directors and froze any further share payouts.

#### **Fiscal 2020 Executive Compensation Highlights and Governance**

This section identifies the most significant decisions and changes made regarding NETSOL's executive compensation in fiscal year 2020.

#### **Shareholder Approval of Compensation**

At the last annual general meeting held on June 26, 2020, shareholders expressed support for our executive compensation programs, with 80.40% of votes cast at the meeting voting to ratify the compensation of our named executive officers. Although the advisory shareholder vote on executive compensation is non-binding, the Compensation Committee has considered, and will continue to consider, the outcome of the vote and the sentiments of our shareholders when making future compensation decisions for the named executive officers. Based on the results from our last annual general meeting, the Compensation Committee believes shareholders support the Company's executive compensation philosophy and the compensation paid to the named executive officers.

Taking into account the marked increase in support of this plan at the June 26, 2020 Annual Shareholders Meeting, the Compensation Committee believes the compensation program meaningfully explains the Compensation Committee's compensation decisions and its determination to tie long term incentives of the Chief Executive Officer to performance criteria. The Compensation Committee continues to reach out to its shareholders regarding their positions on the Company's compensation program. In connection with the proxy solicitations, the executive compensation was discussed with certain of our top shareholders and their general acceptance of the compensation structure is reflected in the proxy vote results. Accordingly, the Compensation Committee will continue to provide the CEO with a bonus criterion that is based on total revenues and income from operations on a graduated basis. Bonuses would be paid 60% in cash and 40% in stock valued at the share price on June 30<sup>th</sup> of the fiscal year in which it was earned.

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Based on the 2016 Annual Meeting of Shareholders vote on the Frequency of Say on Pay voting, we will continue to provide our stockholders with an annual opportunity to cast an advisory vote on the compensation programs for our named executive officers and as always, the stockholders are welcome to contact Investor Relations with any questions.

#### **Governance and Evolving Compensation Practices**

The Compensation Committee and the Board are aware of evolving practices in executive compensation and corporate governance. In response, we have adopted and/or maintained certain policies and practices that are in keeping with "best practices" in many areas. For example:

- The Compensation Committee engages an independent compensation consultant to evaluate our chief executive officer's executive compensation practices in comparison to a

peer group.

- We do not provide excessive executive perquisites to our named executive officers.
- Our incentive plans expressly prohibit repricing of options (directly or indirectly) without prior shareholder approval.
- Our policy on the prevention of insider trading prohibits various types of transactions involving Company stock or securities, including short sales, options trading, hedging, margin purchases and pledges.
- Our stock ownership guidelines require our executive officers to align their long-term interests with those of our stockholders.
- Our policy prohibits the named executive officers from selling any newly issued shares for a period of three months, in an open market transaction.
- Beginning with our fiscal year 2018 to current, we modified our compensation practices for our CEO to tie a significant portion to financial results both on a top line and bottom-line basis.

#### **General Compensation Overview**

For 2020, compensation designed for our executive officers consisted of:

- Base Salary
- Cash awards at the discretion of the Compensation Committee
- Long term equity in the form of time-based restricted stock
- Ability to participate generally in all group health and welfare benefit programs and tax-qualified retirement plans on the same basis as applicable to all of our employees

In response to discussions we have had with certain shareholders and given the percentage voting in favor of our executive compensation, beginning with the 2019 fiscal year, Chief Executive Officer compensation shall consist of:

- Base Salary
- Short-term cash awards conditioned upon achieving objective performance targets
- Long-term equity in the form of time and objective performance targets
- Ability to participate generally in all group health and welfare benefit programs and tax-qualified retirement plans on the same basis as applicable to all of our employees

The Compensation Committee administers the cash and non-cash compensation programs applicable to our executive officers. The Compensation Committee makes all decisions about executive officer compensation for the Chief Executive Officer and the remaining named executives after discussion with our Chief Executive Officer about his direct reports. The Compensation Committee has often refined the direct reports' compensation recommendations made by the Chief Executive Officer. Our Chief Executive Officer's compensation is determined solely by the Compensation Committee, which, consistent with NASDAQ requirements, is comprised exclusively of independent directors, and the Chief Executive Officer does not participate in Committee decisions surrounding his compensation.

#### **Independent Compensation Consultant**

The Compensation Committee retained Compensation Resources, Inc. as its independent compensation consultant. Compensation Resources provided chief executive officer and director compensation consulting services to the Compensation Committee, including a competitive market analysis of peers and the base salary, total cash compensation and total direct compensation. Interactions with Compensation Resources was limited to the Compensation Committee Chair and interaction with executives was generally limited to discussions as required to compile information at the Compensation Committee's direction. During fiscal year 2020, Compensation Resources did not provide services to the Company. Based on these factors and its own evaluation of Compensation Resources independence pursuant to the requirements approved and adopted by the SEC, the Compensation Committee has determined that the work performed by Compensation Resources does not raise any conflicts of interest.

#### **Compensation Philosophy and Objectives**

Our executive compensation philosophy calls for competitive total compensation that will reward executives for achieving individual and corporate performance objectives and will attract, motivate and retain leaders who will drive the creation of shareholder value. It incorporates elements that create shareholder value by driving financial performance, retaining a high-performing and talented executive team, and aligning the interests of the executive team with the interests of shareholders. The Compensation Committee reviews the compensation and benefit programs for executive officers, including the named executive officers, and performs an annual assessment of the Company's executive compensation policy. In determining total compensation, the Compensation Committee considers the objectives and attributes described below.

#### **Executive Compensation Principles**

- |  |  |
|--|--|
| Shareholder Alignment                    | <ul style="list-style-type: none"><li>• Our executive compensation programs are designed to create shareholder value.</li><li>• Long-term incentive awards, delivered in the form of equity, make up a portion of our executives' total compensation and closely align the interests of executives with the long-term interests of our shareholders. Our policy prohibits the named executive officers from selling any newly issued shares for a period of three months, on an open market transaction.</li></ul> |
| Performance based                        | <ul style="list-style-type: none"><li>• Long-term incentive awards are designed to reward our executive officers for creating long-term shareholder value. Long-term incentive awards are granted primarily in the form of stock options and/or shares.</li></ul>  |
| Appropriate Risk                         | <ul style="list-style-type: none"><li>• Our executive compensation programs are designed to encourage executive officers to take appropriate risks in managing their businesses to achieve optimal performance.</li></ul>  |
| Competitive with external talent markets | <ul style="list-style-type: none"><li>• Our executive compensation programs are designed to be competitive within the relevant markets.</li></ul>  |
| Simple and transparent                   | <ul style="list-style-type: none"><li>• Our executive compensation programs are designed to be readily understood by our executives, and transparent to our investors.</li></ul>   |

#### **Compensation Analysis Peer Group**

After consideration of business models, company revenue and market capitalization of other companies in the Company's technology industry segment, and with the input from Compensation Resources, Inc., the compensation consultant used by the Company at the time the study was last conducted, the Compensation Committee established the following list of peer companies to provide a comparative framework for use in setting executive compensation:

Amber Road, Inc.	B Square Corp.
Cass Information Systems	Digital Turbine, Inc.
Everbridge, Inc.	Mitek Systems, Inc.
Smith Micro Software, Inc.	SPS Commerce Inc.
Zix Corp.	

## ***Executive Officer Base Salaries and Compensation Comparisons***

Compensation plans are developed by utilizing publicly available compensation data in the information technology and software services industries. We believe that the practices of these groups of companies provide us with appropriate compensation benchmarks, because these groups of companies are in similar businesses and tend to compete with us for executives and other employees. For benchmarking executive compensation, we typically review the compensation data we have collected from these groups of companies, as well as a subset of the data from those companies that have a similar number of employees as the Company. The Compensation Committee has determined to utilize the services of a consultant for purposes of comparing our compensation program with similarly situated companies in like industries. The recommendations of these consultants will be utilized by the Compensation Committee in determining the appropriate compensation packages in addition to taking into account the unique global scale of the Company's business. While these consultants may make general recommendations about the size and components of compensation, we anticipate our philosophy to continue on the basis of a pay-for-performance philosophy.

In establishing the compensation of our named Chief Executive Officer, we based the amounts primarily on the market data and advice provided by Compensation Resources, Inc. with respect to the compensation paid to individuals who perform substantially similar functions within the peer group companies. In connection with the other named executive officers, we also relied on the recommendations of the Chief Executive Officer's analysis relative to those individuals' performance and compensation. We also examined the outstanding stock options and equity grants held by the executive officers for the purpose of considering the retention value of any additional equity awards.

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As a general guideline, for our named executive officers, we aim to set base salary, cash compensation and total compensation at approximately the mean market range. Our analysis determined that the base salary of our Chief Executive officer was slightly above the mean, cash compensation was generally within the mean, but the total direct compensation was below the mean. As such, it was determined to develop a long-term, performance-based element of the compensation that brought the total direct compensation within the mean.

### ***2020 Executive Compensation Components***

#### ***Base Salary***

An executive's base salary is a fixed element of the executive's compensation intended to attract and retain executives. It is evaluated together with components of the executive's other compensation to ensure that the executive's total compensation is consistent with our overall compensation philosophy. Base salaries are adjusted annually by the Compensation Committee.

The base salaries were established in arms-length negotiations between the executive and the Company, considering their extensive experience, knowledge of the industry, track record, and achievements on behalf of the Company. The Company expects each named executive officer to contribute to the Company's overall success as a member of the executive team rather than focus solely on specific objectives within the officer's area of responsibility.

We provided a 3% increase in base salary for Ms. McGlasson in fiscal 2020. However, due to the effects of COVID-19, the Company reduced her base salary by 13%. We provided a 4% increase in base salary for Mr. Almond in fiscal 2020. Due to the effects of COVID-19, the Company reduced his salary by 13%. In fiscal year 2020, Mr. Ghauri's base salary did not increase. Due to the effects of COVID-19, Mr. Ghauri's base salary was reduced by 4.7%. Mr. Ghauri's perquisites were reduced by 8% for a total compensation reduction of 5.4%. The Compensation Committee determined that salary alone was an adequate basis for short term compensation, and that equity incentives would be used for the long-term elements of incentive programs for Ms. McGlasson and Mr. Almond.

#### ***Annual Bonus***

Our compensation program includes eligibility for bonuses as rewarded by the Compensation Committee. All executives are eligible for annual performance-based cash bonuses in accordance with Company policies. The Compensation Committee takes into consideration the executive's performance during the previous year to determine eligibility for discretionary bonuses. Further, the compensation committee will review, if applicable, the performance criteria set forth in an executive's previous year's agreement and will determine if the executive has met such criteria in order to achieve the bonus. The Company's bonus criteria at the executive management level, is typically based on a gross revenue and income from operations targets. Cash bonuses, if any for 2020 are reflected in the summary of compensation discussed below starting on page 33. For 2020, based on structured KPI's by the compensation committee, Mr. Ghauri did not earn a bonus. See bonus structure as discussed below on page 31. The Compensation Committee determined that Gross Revenue and Income from Operations structure used in fiscal 2020 continues to be a proper measure for measuring Mr. Ghauri's performance in that it encourages his participation in revenue generating activities and continues to incentivize him to monitor and maximize cost efficiency.

#### ***Long-Term Equity Incentive Compensation***

We believe that long-term performance is achieved through an ownership culture that encourages long-term participation by our executives in equity-based awards. Because base salary and equity awards are such basic elements of compensation within our industry, as well as the high technology and software industries in general, and are generally expected by employees, we believe that these components must be included in our compensation mix in order for us to compete effectively for talented executives. We award time based vested stock from our Equity Incentive Plans for several reasons. First, such awards facilitate retention of our executives. Restricted stock generally vests only if the executive remains employed by the Company. Second, time-based stock awards align executive compensation with the interests of our shareholders and thereby focuses executives on increasing value for the shareholders. Time vested stock generally only provides a superior return if the stock price appreciates, and results in materially less dilution to the shareholders than options while frequently providing equivalent value to the employee at less cost to the Company than options. In determining the number of shares to be granted to executives, we take into account the individual's position, scope of responsibility, ability to affect profits and shareholder value, past and recent performance, and the estimated value of shares at the time of grant. Assuming individual performance at a level satisfactory to the Compensation Committee, the size of total equity compensation is generally targeted at the 50th percentile for the peer group. As indicated above, market data, including compensation percentiles, were among several factors the committee reviewed in determining compensation.

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Equity incentives provided to executives are determined by the Fair Market Value of our common stock on the grant date. Each executive's stock award was based on an analysis of the Compensation Committee of an appropriate overall cash compensation for each individual taking into account their position and compensation at similarly situated companies. Each executive's stock award was based on a desired overall compensation cash value less the base salary as approved by the Compensation Committee.

In fiscal year 2020, Ms. McGlasson and Mr. Almond received a grant of 7,500 and 10,000 shares of common stock, respectively, vesting quarterly over a two-year period.

Mr. Ghauri is eligible to receive grants of shares based on the performance criteria connected to gross revenues and net income from operations as discussed below. The total compensation including equity grants is designed to bring the Chief Executive Officer to the mean market average.

Mr. Ghauri's bonus for fiscal year 2020 is based on the total revenues and income from operations on a graduated basis. The following table demonstrates the graduated percentage of bonus that Mr. Ghauri will be eligible to earn based on the percentage of the goal achieved. Bonuses will be paid 60% in cash and 40% in shares of common stock



valued on June 30, 2020. Total net revenues and income from operations are based on those values reported for the year ending June 30, 2020 excluding any adjustments relating to changes in revenue recognition policy.

	Allocated Bonus %	% of Bonus	25%	50%	100%	125%	150%	175%	200%
Net revenues	55%	Increase in revenues	5%	10%	15%	20%	25%	30%	35%
Bonus Earned			82,500	165,000	330,000	412,500	495,000	577,500	660,000
		% of Bonus	25%	50%	100%	125%	150%	175%	200%
Income from Operations	45%	Income from Operations %	5.0%	7.5%	10.0%	12.5%	15.0%	17.5%	20.0%
Bonus Earned			67,500	135,000	270,000	337,500	405,000	472,500	540,000
Total Bonus			150,000	300,000	600,000	750,000	900,000	1,050,000	1,200,000

Mr. Ghauri's bonus for the fiscal year 2021 will be based on the same criteria stated above.

#### **Perquisites and Other Personal Benefits**

We provide named executive officers with perquisites and other personal benefits that we believe are reasonable and consistent with our overall compensation program to better enable the Company to attract and retain superior employees for key positions. The Compensation Committee periodically reviews the level of perquisites and other personal benefits provided to NETSOL's executive officers.

We maintain benefits and perquisites that are offered to all employees, including health and dental insurance. Benefits and perquisites may vary in different country locations and are consistent with local practices and regulations.

#### **Termination Based Compensation**

Upon termination of employment, all executive officers with a written employment agreement are entitled to receive severance payments under their employment agreements. In determining whether to approve, and as part of the process of setting the terms of, such severance arrangements, the Compensation Committee recognizes that executives and officers often face challenges securing new employment following termination. Further, the Committee recognizes that some of the named executives and officers have participated in the Company since its founding and that this participation has not resulted in a return on their investments. Termination and Change in Control Payments considered both the risk and the dedication of these executives' service to the Company.

The Company does not have an executive compensation clawback policy. There are no holding period or stock ownership requirements for stock ownership by executives; however, executives very rarely sell their shares of Company stock.

Our Chief Executive Officer has an employment agreement that provides, if his employment is terminated without cause or if the executive terminates the agreement with Good Reason, he is entitled to (a) all remaining salary to the end of the date of termination, plus salary from the end of the employment term through the end of the fourth anniversary of the date of termination, and (b) the continuation by the Company of medical and dental insurance coverage for him and his family until the end of the employment term and through the end of the fourth anniversary of the date of termination. Provided, however, if such benefits cannot be continued for this extended period, the Executive shall receive cash (including a tax-equivalency payment for Federal, state and local income and payroll taxes assuming Executive is in the maximum tax bracket for all such purposes) where such benefits may not be continued. These agreements further provide for vesting of all options and restrictive stock grants, if any.

Our Chief Financial Officer has an employment agreement that provides, if his employment is terminated without cause or if the executive terminates the agreement with Good Reason, he is entitled to (a) all remaining salary to the end of the date of termination, plus salary from the end of the employment term through the end of the first anniversary of the date of termination, and (b) the continuation by the Company of medical and dental insurance coverage for him and his family until the end of the employment term and through the end of the first anniversary from the date of termination. Provided, however, if such benefits cannot be continued for this extended period, the Executive shall receive cash (including a tax-equivalency payment for Federal, state and local income and payroll taxes assuming Executive is in the maximum tax bracket for all such purposes) where such benefits may not be continued. These agreements further provide for vesting of all options and restrictive stock grants, if any.

The Secretary of the Company has an employment agreement that provides, if she is terminated without cause or if the executive terminates the agreement with Good Reason, she is entitled to (a) all remaining salary to the end of the date of termination, plus salary from the end of the employment term through the end of the second anniversary of the date of termination, and (b) the continuation by the Company of medical and dental insurance coverage for her and her family until the end of the employment term and through the end of the second anniversary of the date of termination. Provided, however, if such benefits cannot be continued for this extended period, the Executive shall receive cash (including a tax-equivalency payment for Federal, state and local income and payroll taxes assuming Executive is in the maximum tax bracket for all such purposes) where such benefits may not be continued. These agreements further provide for vesting of all options and restrictive stock grants, if any.

These agreements were designed to assist in the retention of the services of our named executives and to determine in advance the rights and remedies of the parties in connection with any termination. The types and amounts of compensation and the triggering events set forth in these agreements were based on a review of the terms and conditions of normal and customary agreements in our competitive marketplace.

#### **Tax and Accounting Implications**

**Deductibility of Executive Compensation** As part of its role, the Compensation Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code, which provides that we may not deduct compensation of more than \$1,000,000 that is paid to certain individuals. The Compensation Committee is aware of the limitations imposed by Section 162(m) and considers the issue of deductibility when and if circumstances warrant. The committee reviews proposed compensation plans in light of applicable tax deductions, and generally seeks to maximize the deductibility for tax purposes of all elements of compensation. However, the committee may approve compensation that does not qualify for deductibility, including stock option and time-based restricted stock awards, if and when the committee deems it to be in the best interests of the Company and our shareholders.

#### **Accounting for Stock-Based Compensation**

Commencing on July 1, 2006, we began accounting for stock-based payments, including awards under our Employee Stock Option Plans, in accordance with the of Financial Accounting Standards Board's Accounting Standards Codification Topic 718, *Compensation – Stock Compensation*.

## SUMMARY COMPENSATION TABLE

The following table shows the compensation for the fiscal year ended June 30, 2020, 2019, and 2018, earned by our Chairman and Chief Executive Officer, our Chief Financial Officer who is our Principal Financial and Accounting Officer, and others considered to be executive officers of the Company.

Name and Principle Position	Fiscal Year Ended	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Najeeb Ghauri CEO & Chairman	2020	\$ 689,000	\$ -	\$ -	\$ -	\$ 156,586 <sup>(4)</sup>	\$ 845,586
	2019	\$ 675,000	\$ 432,488	\$ -	\$ 21,598 <sup>(3)</sup>	\$ 200,000 <sup>(4)</sup>	\$ 1,329,086
	2018	\$ 600,000	\$ 300,000 <sup>(2)</sup>	\$ -	\$ -	\$ 200,000 <sup>(4)</sup>	\$ 1,100,000
Roger K Almond Chief Financial Officer	2020	\$ 217,111	\$ 20,000	\$ 56,900	\$ -	\$ 10,639 <sup>(5)</sup>	\$ 304,650
	2019	\$ 221,520	\$ 20,000	\$ 55,500	\$ -	\$ 10,191 <sup>(5)</sup>	\$ 307,211
	2018	\$ 213,000	\$ 10,000	\$ -	\$ -	\$ 9,952 <sup>(5)</sup>	\$ 232,952
Patti L. W. McGlasson Secretary, General Counsel	2020	\$ 219,481	\$ -	\$ 42,675	\$ -	\$ 10,019 <sup>(6)</sup>	\$ 272,175
	2019	\$ 226,113	\$ -	\$ 55,500	\$ -	\$ 10,378 <sup>(6)</sup>	\$ 291,991
	2018	\$ 217,420	\$ -	\$ -	\$ -	\$ 9,935 <sup>(6)</sup>	\$ 227,355

(1) The stock was awarded as compensation to the officers. See also Grants of Plan Based Awards. These amounts do not reflect compensation actually received by the named executive officer. These amounts represent the aggregate grant date fair value of the stock awards granted during the relevant time period, computed in accordance with FASB ASC 718, excluding the effect of any estimated forfeitures based on vesting conditions. A summary of the assumptions we applied in calculating these estimates is set forth in the Notes to Consolidated Financial Statements included in Note 18. The awards for which the aggregate grant date fair value is shown in this column include awards described under the Grants of Plan-Based Awards Table and in the Outstanding Equity Awards at Fiscal Year-End Table.

(2) Bonus was awarded by the Compensation Committee in late September 2018 for the results of his cost saving initiatives in fiscal 2018. The expense was accounted for in fiscal year 2019.

(3) The life of 20,000 outstanding options, granted in February 2009, was extended for one year for the year ended June 30, 2019.

(4) Per Mr. Najeeb Ghauri's compensation agreement, he received \$156,586, \$200,000 and \$200,000 in allowances, perquisites and benefits such as car allowance, insurance premiums, and home office allowance for the fiscal years ended June 30, 2020, 2019 and 2018, respectively.

(5) Consists of \$10,639, \$10,191 and \$9,952 paid for medical and dental insurance premiums for participation in the health insurance program for the fiscal year ended June 30, 2020, 2019 and 2018, respectively.

(6) Consists of \$10,019, \$9,935 and \$9,795 paid for medical and dental insurance premiums for participation in the health insurance program for the fiscal year ended June 30, 2020, 2019 and 2018, respectively.

### Grants of Plan-Based Awards

In September 2016, Mr. Najeeb Ghauri was granted 82,644 shares of the Company's common stock which 50% vested immediately and the remaining 50% will vest annually from June 2017 to June 2021. The shares were approved by the Compensation Committee as an incentive for the named officer.

In July 2018, Mr. Roger Almond was granted 10,000 shares of the Company's common stock, which vest quarterly over the period of three years. The shares were approved by the Compensation Committee as an incentive for the named officer.

In August 2019, Mr. Roger Almond was granted 10,000 shares of the Company's common stock, which vest quarterly over the period of two years. The shares were approved by the Compensation Committee as an incentive for the named officer.

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In July 2018, Ms. McGlasson was granted 7,500 shares of the Company's common stock, which vest quarterly over the period of two years. The shares were approved by the Compensation Committee as an incentive for the named officer.

In August 2019, Ms. McGlasson was granted 7,500 shares of the Company's common stock, which vest quarterly over the period of two years. The shares were approved by the Compensation Committee as an incentive for the named officer.

### Discussion of Summary Compensation Table

The terms of our executive officers' compensation are derived from our employment agreements with them and the annual performance review by our Compensation Committee. The terms of Mr. Najeeb Ghauri's employment agreement with the Company were the result of negotiations between the Company and the executive and were approved by our Compensation Committee and Board of Directors. The terms of Ms. McGlasson's and Mr. Almond's employment agreement with the Company were the result of negotiations between our Chief Executive Officer and the employees and were approved by our Compensation Committee.

### Outstanding Equity Awards at Fiscal Year-End

The following table shows grants of stock options and grants of unvested stock awards outstanding on June 30, 2020, the last day of our fiscal year, to each of the individuals named in the Summary Compensation Table.

#### *Options exercised and vested during fiscal year end June 30, 2020.*

NAME	OPTION AWARDS				STOCK AWARDS			
	NUMBER OF SECURITIES UNDERLYING OPTIONS (#) EXERCISABLE	NUMBER OF SECURITIES UNDERLYING OPTIONS (#) UNEXERCISABLE	OPTION EXERCISE PRICE (\$)	OPTION EXPIRATION DATE	NUMBER OF COMMON STOCK THAT HAVE NOT VESTED	MARKET VALUE OF SHARES THAT HAVE NOT VESTED (\$)	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF UNEARNED SHARES THAT HAVE NOT VESTED	EQUITY INCENTIVE PLAN AWARDS: MARKET OR PAYOUT VALUE OF SHARES THAT HAVE NOT VESTED (\$)
Najeeb Ghauri	-	-	-	-	8,265	50,000	-	-



Roger K Almond	-	-	-	8,336	46,964	-	-
Patti L. W. McGlasson	-	-	-	3,752	21,349	-	-

#### Pension Benefits

We do not have any qualified or non-qualified defined benefit plans.

#### Potential Payments upon Termination or Change of Control

Generally, regardless of the manner in which a named executive officer's employment terminates, he is entitled to receive amounts earned during his term of employment. Such amounts include the portion of the executive's base salary that has accrued prior to any termination and not yet been paid, and unused vacation pay.

In addition, we are required to make the additional payments and/or provide additional benefits to the individuals named in the Summary Compensation Table in the event of a termination of employment or a change of control, as set forth below.

#### Change-in-Control Payments

##### *Najeeb Ghauri, Chairman and Chief Executive Officer*

In the event that Mr. Ghauri is terminated as a result of a change in control, he is entitled to all payments due in the event of a termination for Cause or Good Reason and: (a) a onetime payment equal to the product of 2.99 and his salary during the preceding 12 months; (b) a one-time payment equal to the higher of (i) Executive's bonus for the previous year and (ii) one percent of the Company's consolidated gross revenues for the previous twelve (12) months; and at the election of the Executive, (c) a one-time cash payment equal to the cash value of all shares eligible for exercise upon the exercise of Executive's Options then currently outstanding and exercisable as if they had been exercised in full (the "Change of Control Termination Payment"). In the event Executive elects to receive the cash value of the shares underlying Executive's options, he shall so notify the Company of his intent.

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The following table summarizes the potential payments to Mr. Ghauri assuming his employment with us was terminated or a change of control occurred on June 30, 2020, the last day of our most recently completed fiscal year.

BENEFITS AND PAYMENTS	TERMINATION AFTER CHANGE OF CONTROL	TERMINATION UPON DEATH OR DISABILITY	TERMINATION BY US WITHOUT CAUSE OR BY EXECUTIVE FOR GOOD REASON
Base Salary Continuance	\$ 2,756,000	\$ 114,833	\$ 2,756,000
Health Related Benefits	63,168	-	63,168
Bonus	-	-	-
Salary Multiple Pay-out	2,060,110	-	-
Bonus or Revenue One-time Pay-Out	563,723	-	-
Net Cash Value of Options	-	-	-
Total	<u>\$ 5,443,001</u>	<u>\$ 114,833</u>	<u>\$ 2,819,168</u>

##### *Roger Almond, Chief Financial Officer*

In the event that Mr. Almond is terminated as a result of a change in control, he is entitled to all payments due in the event of a termination for Cause or Good Reason and: (a) a onetime payment equal to the product of 2.99 and his salary during the preceding 12 months; (b) a one-time payment equal to the higher of (i) Executive's bonus for the previous year and (ii) one-half of one percent of the Company's consolidated gross revenues for the previous twelve (12) months (the "Change of Control Termination Payment").

The following table summarizes the potential payments to Mr. Almond assuming his employment with us was terminated or a change of control occurred on June 30, 2020, the last day of our most recently completed fiscal year.

BENEFITS AND PAYMENTS	TERMINATION AFTER CHANGE OF CONTROL	TERMINATION UPON DEATH OR DISABILITY	TERMINATION BY US WITHOUT CAUSE OR BY EXECUTIVE FOR GOOD REASON
Base Salary Continuance	\$ 217,111	\$ 36,185	\$ 217,111
Health related benefits	10,644	-	10,644
Bonus	-	-	-
Salary Multiple Pay-out	649,162	-	-
Bonus or Revenue One-time Pay-Out	281,862	-	-
Net Cash Value of Options	-	-	-
Total	<u>\$ 1,158,778</u>	<u>\$ 36,185</u>	<u>\$ 227,755</u>

##### *Patti L. W. McGlasson, Senior V.P. of Legal and Corporate Affairs, Secretary and General Counsel*

In the event that Ms. McGlasson is terminated as a result of a change in control, she is entitled to all payments due in the event of a termination for Cause or Good Reason and: (a) a onetime payment equal to the product of 2.99 and her salary during the preceding 12 months; (b) a one-time payment equal to the higher of (i) Executive's bonus for the previous year and (ii) one-half of one percent of the Company's consolidated gross revenues for the previous twelve (12) months (the "Change of Control Termination Payment").

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The following table summarizes the potential payments to Ms. McGlasson assuming her employment with us was terminated or a change of control occurred on June 30, 2020, the last day of our most recently completed fiscal year.

BENEFITS AND PAYMENTS	TERMINATION AFTER CHANGE OF CONTROL	TERMINATION UPON DEATH OR DISABILITY	TERMINATION BY US WITHOUT CAUSE OR BY EXECUTIVE FOR GOOD REASON
Base Salary Continuance	\$ 445,822	\$ 37,152	\$ 445,822
Health related benefits	20,040	-	20,040
Bonus	-	-	-
Salary Multiple Pay-out	666,504	-	-
Bonus or Revenue One-time Pay-Out	281,862	-	-
Net Cash Value of Options	-	-	-
Total	\$ 1,414,227	\$ 37,152	\$ 465,862

#### Director Compensation

The following table sets forth a summary of the compensation earned by our Directors and/or paid to certain of our Directors pursuant to the Company's compensation policies for the fiscal year ended June 30, 2020, other than Najeeb Ghauri and Malea Farsai who were paid as part of their employment agreements with the Company and not as directors.

NAME	FEES EARNED OR PAID IN CASH (\$)	SHARE AWARDS (\$)(1)	TOTAL (\$)
Shahid Javed Burki (*)	59,197	55,845	115,042
Mark Caton	57,240	54,396	111,636
Henry Tolentino	55,287	40,952	96,239
Kausar Kazmi	51,376	38,057	89,433
	223,100	189,250	412,350

(2) In fiscal 2020, the Directors' fee structure was 60% cash and 40% common stock. During the fiscal year ended June 30, 2020, there were 15,171 shares issued to Mr. Shahid Javed Burki, 14,734 shares issued to Mr. Mark Caton, 12,317 shares issued to Mr. Henry Tolentino and 11,445 shares issued to Mr. Kausar Kazmi.

\* Mr. Burki did not stand for re-election in June 2020.

#### Director Compensation Policy

Mr. Najeeb Ghauri and Ms. Farsai are not paid any fees or other compensation for services as members of our Board of Directors.

The Committee relied on a survey conducted previously by Compensation Resources, Inc. in setting the compensation for the non-employee members of our Board of Directors. As with named executives, the aim is to compensate the Board of Directors at the mean of peer companies. Any additional cash and/or equity compensation for the fiscal year beginning was designed to maintain this mean.

The non-employee members of our Board of Directors received as compensation for services as directors as well as reimbursement for documented reasonable expenses incurred in connection with attendance at meetings of our Board of Directors and the committees thereof. The Company paid the following amounts to members of the Board of Directors for the activities shown during the fiscal year ended June 30, 2020.

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BOARD ACTIVITY	CASH PAYMENTS
Board Member Fee	\$ 205,506
Chairperson for Audit Committee	\$ 7,820
Chairperson for Compensation Committee	\$ 5,864
Chairperson for Nominating and Corporate Governance Committee	\$ 3,910
	\$ 223,100

Independent members of our Board of Directors are also eligible to receive stock option or stock award grants both upon joining the Board of Directors and on an annual basis in line with recommendations by the Compensation Committee, which grants are non-qualified stock options under our Employee Stock Option Plans. Further, from time to time, the non-employee members of the Board of Directors are eligible to receive stock grants that may be granted if and only if approved by the shareholders of the Company.

On September 12, 2016, the Compensation Committee granted independent board members 19,834 shares of common stock vesting at 50% immediately and rest at the completion of each year served commencing with the period ending September 30, 2017 and ending September 30, 2021.

#### Compensation Committee Interlocks and Insider Participation

The current members of the Compensation Committee are Mr. Caton (Chairman), Mr. Kazmi, and Mr. Tolentino. All current members of the Compensation Committee are "independent directors" as defined under the NASDAQ Listing Rules. None of these individuals were at any time during the fiscal year ended June 30, 2020, or at any other relevant time, an officer or employee of the Company.

No executive officer of the Company serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of the Company's Board of Directors or Compensation Committee.

#### Employee Equity Plans

##### OPTIONS:

	Number of Options Authorized	Options Grants Issued	Options Grants Cancelled / Expired	Available for Issue	Options Issued but Outstanding
The 2003 stock option plan	200,000	200,000	-	-	-
The 2005 stock option plan	500,000	500,000	(40,386)	40,386	-
The 2011 stock option plan	500,000	500,000	-	-	-
The 2013 stock option plan	1,250,000	1,151,804	-	98,196	-

The 2015 stock option plan	1,250,000	947,546	(3,968)	306,422	-
	3,700,000	3,299,350	(44,354)	445,004	-

#### Pension Benefits

We do not have any qualified or non-qualified defined benefit plans.

### Compensation Committee Report

The Compensation Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis contained within this Proxy Statement with management and, based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated into NetSol Technologies, Inc. Annual Report on Form 10-K for the year ended June 30, 2020, as previously filed.

Compensation Committee  
Mark Caton (Chair)  
Kausar Kazmi  
Henry Tolentino

#### DEADLINE FOR SUBMISSION OF STOCKHOLDER PROPOSALS FOR FISCAL 2021

The Rules of the Securities and Exchange Commission permit shareholders of the Company, after notice to the Company, to present proposals for stockholder action in the Company's proxy statement where such proposals are consistent with applicable law, pertain to matters appropriate for stockholder action and are not properly omitted by Company action in accordance with the proxy rules published by the Securities and Exchange Commission. The Company's 2021 annual meeting of shareholders is expected to be held on or about June 8, 2022 and proxy materials in connection with that meeting are expected to be mailed on or about April 5, 2022. The Company must receive stockholder proposals prepared in accordance with the proxy rules by January 5, 2022.

A proposal which is received after that date or which otherwise fails to meet the requirements for stockholder proposals established by the SEC will not be included. The submission of a stockholder proposal does not guarantee that it will be included in the proxy statement.

#### FILINGS UNDER SECTION 16(A)

Section 16(a) of the Exchange Act requires the Company's directors and officers, and persons holding ten percent or more of a registered class of the Company's equity securities, to file reports regarding their ownership and regarding their acquisitions and dispositions of the Company's equity securities with the Securities and Exchange Commission. Officers, directors and greater than ten-percent beneficial owners are required by applicable regulations to furnish the Company with copies of any Section 16(a) forms they file.

Based solely on copies of such forms furnished as provided above, or written representations that no Forms 5 were required, the Company believes that during the fiscal year ended June 30, 2019, all Section 16(a) filing requirements applicable to its executive officers, directors and beneficial owners of more than 10% of its Common Stock were complied.

#### VOTING PROCEDURES

**Tabulation of the Votes:** The votes cast by proxy will be tabulated by Broadridge.

**Effect of an Abstention and Broker Non-Votes:** A shareholder who abstains from voting on any of or all of the proposals will be included in the number of shareholders present at the meeting for the purpose of determining the presence of a quorum. Abstentions and broker non-votes will not be counted either in favor of or against the election of the nominees or other proposals. Under the rules of the National Association of Securities Dealers, brokers holding stock for the accounts of their clients who have not been given specific voting instructions as to a matter by their clients may vote their client's proxies in their own discretion.

#### ANNUAL REPORT ON FORM 10-K

A copy of NETSOL's Annual Report on Form 10-K for the year ended June 30, 2020, which has been filed with the SEC pursuant to the Exchange Act will be furnished to shareholders together with this Proxy Statement. Copies of these reports are available without charge to each shareholder, upon written request to the Investor Relations department at our principal offices at 23975 Park Sorrento, Suite 250 Calabasas, CA 91302 or from the Internet on SEC's Edgar database at [www.sec.gov](http://www.sec.gov).

#### Incorporation by Reference

We incorporate the Annual Report for the fiscal year ended June 30, 2020 and the Quarterly Report for the quarter ended December 31, 2020 both of which have been filed with the SEC pursuant to the Exchange Act into this proxy statement by this reference. As stated above, the annual report on form 10-K is being delivered to shareholders together with this Proxy Statement. Copies of the reports are available without charge to each shareholder, upon written request to the Investor Relations department at our principal offices at 23975 Park Sorrento, Suite 250, Calabasas, CA 91302 or from the Internet on the SEC's Edgar database at [www.sec.gov](http://www.sec.gov).

#### OTHER MATTERS

The Board of Directors of the Company does not intend to present any business at the Annual Meeting other than the matters specifically set forth in this Proxy Statement and knows of no other business to come before the Annual Meeting. However, on all matters properly brought before the Annual Meeting by the Board or by others, the persons named as proxies in the accompanying proxy will vote in accordance with their best judgment.

#### ALL SHAREHOLDERS ARE REQUESTED TO SIGN AND MAIL PROXIES, VOTE VIA TELEPHONE OR VOTE AT THE MEETING.

Your attendance at the Annual Meeting is desired whether your holdings are large or small. We encourage shareholders to take an active interest in NETSOL and we would appreciate your vote on the enclosed proxy card or via phone, or via the Internet or through our transfer agent, AST. If you plan to vote at the Annual Meeting by proxy, please either sign date and mail the enclosed Proxy in the enclosed envelope or by visiting [www.proxyvote.com](http://www.proxyvote.com), as soon as possible. We are monitoring the COVID vaccine rollout efforts within California and nationwide and will comply with state and local mandates as it relates to holding in-person gatherings at the time of the event. Thank you and we look forward to seeing you at the Annual Meeting.

Dated: April 26, 2021  
Calabasas, California

BY ORDER OF THE BOARD OF DIRECTORS



Najeeb Ghauri  
Chairman and CEO