

Appointment as Independent Director of Max Bupa Health Insurance Company Limited

Dear (*)

Sub: **Appointment as Independent Director**

In terms of Section 149(4) read with Schedule IV of the Companies Act, 2013 (hereinafter referred to as "the Act"), on behalf of the Board of Directors, we are pleased to inform you that the Shareholders of the Company has approved your appointment as an Independent Director of the Max Bupa Health Insurance Company Limited (herein after referred to as 'the Company') in the meeting held on (*). The appointment was earlier approved by the Board of Directors of the Company. This letter of appointment sets out the terms and conditions covering your appointment, which are as follows:

1. Appointment

Your term, as an Independent Director, will be up to (*) consecutive years. However, you will be eligible for reappointment for not more than one more term of (*) years subject to passing of a special resolution in this regard at a General Meeting and on the basis of your annual performance evaluation to be conducted by the Board of Directors. As an Independent Director, you will not be liable to retire by rotation.

2. Committees

The Board of Directors (the "Board") may, if it deems fit, invite you to be a member on one or more Board Committees or any other Committee existing as on date or that are set up in the future. Your appointment on such Committee(s) will be subject to applicable regulations.

3. Time Commitment

As a Non-Executive Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board and other Committees shall meet at such frequencies as may be prescribed in the law or in their respective Charters, from time to time. You will be expected to attend meetings of the Board and the Committees to which you may be appointed and Shareholders meetings, if requested and to devote such time, as appropriate for you, to discharge your duties effectively. Ordinarily, all meetings are held in New Delhi, India unless specified otherwise.

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By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations for your role to the satisfaction of the Board.

4. Role and Duties

The Board expects you to comply with the Code of Independent Director (Schedule IV of the Companies Act, 2013) as enclosed herewith at **Annexure I** and with the responsibilities prescribed under the IRDAI Corporate Governance Guidelines as enclosed herewith at **Annexure II**. There are certain other duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:-

- a. You shall act in accordance with the Company's Articles of Association.
- b. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, and the community and for the protection of environment.
- c. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- e. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- f. A director of a company shall not assign his office and any assignment so made shall be void.
- g. The conflicts of interest in insurance companies arise whenever there are conflicting interests of shareholders, policyholders and management, and there is a duty on the Board and on all the Directors, to act in the interest of policyholders or prospective policyholders.

5. Status of Appointment

You will not be deemed to be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid remuneration by way of sitting fees as specified in clause 6.

6. Sitting Fees

You will be paid a sitting fee of Rs. (*)/- (Rupees (*)) for each of the meeting of Board or Committee thereof, attended by you, in person.

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7. Reimbursement of Expenses

In addition to the sitting fee described in clause 6, the Company will, for the period of your appointment, reimburse you for reasonable travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

8. Remuneration

Your annual remuneration will be as under:

- a. Sitting fees for attending each meeting of the Board and its Committees thereof as may be determined by the Board from time to time, and
- b. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
- c. Pursuant to applicable law, you will not be entitled to any stock options.

9. Conflict of Interest

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

In the event that your circumstances change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Company Secretary in a timely manner.

10. Confidentiality

All information acquired during your appointment is confidential to Max Bupa and should not be released, either during your appointment or following resignation and termination (by whatever means) to third parties without prior clearance from the Chairman, unless required by law or by the Rules of any Regulatory body. On reasonable request, you shall surrender any information, documents and other materials made available to you by the Company.

Your attention is also drawn to the requirements under the applicable regulations and Max Bupa's Personal Investment/Trading in Securities Guidelines, which concern the disclosure of price sensitive information and dealing in the securities. Consequently, you should avoid making any statements or performing any transactions that might risk a

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breach of these requirements without prior clearance from the Compliance Officer of the Company.

11. Induction and development

The Company, if required, may conduct formal induction program for its Independent Directors with respect to any or all of the following:

- a. Company's vision, strategic direction, core values, corporate governance practices and business ethics.
- b. Roles and responsibilities as a director of the Board.
- c. Familiarization with management team, business operations, financial matters and visits to business locations and
- d. Meetings with stakeholders of the Company.

Further, the Company may, if required, conduct/arrange for training program common for the members of the Board to hone their skills and knowledge further in the best interests of the Company.

12. Performance Evaluation

In terms of the provisions of the Act and applicable Corporate Governance Guidelines, the Board of Directors shall evaluate the performance of the directors annually. Such evaluation of each director shall be made by other directors on the criteria for evaluation to be determined by the Nomination and Remuneration committee.

13. Director & Officers Insurance Policy

Max India has a Directors' and Officers' liability insurance Policy and this Policy provides coverage to all the Directors and Officers (current and retired up to 7 years from their date of retirement) and Non-Executive Directors of Max India Limited and its subsidiary companies including Max Bupa.

14. Corporate Calendar

Provided below are Board Calendar/Roster for the Financial Year (*):-

S. No.	Quarter	Date	Day	Venue
	(*)	(*)	(*)	(*)

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15. Disclosure of Interest

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than, when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

16. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

17. Other terms

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of cessation of Directorship as specified in the Act, your Directorship may be terminated for violation of any provision of the Company' Code of Conduct as applicable to Independent Directors.

In case of resignation from the Directorship of the Company, you are requested to give a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom. No waiver or modification of this letter shall be valid unless made in writing and signed between you and the Company.

18. Acceptance of Appointment

It is pleasure to have you on the Board. We are confident that the Board and the Company will benefit immensely from your rich experience and continued guidance for Company's growth. If you are willing to accept these terms of appointment relating to your appointment as a Non Executive Independent Director of Max Bupa, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

In line with the provisions of the Act, the Company shall make public a generic copy of the letter on the website which shall be open for inspection at the registered office of the company by any member during normal business hours.

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Please confirm your acceptance by signing and returning to the enclosed copy of this letter.

Best Regards,

**Yours Sincerely,
For and on behalf of Max Bupa Health Insurance Company Limited**

**Rajesh Sud
Chairman of the Board**

I hereby confirm and agree to the terms of my appointment as an independent director as set out in this letter.

Name of the Director (*)

Signature (*)

Dated (*)

Place (*)

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Annexure I

SCHEDULE IV OF THE COMPANIES ACT, 2013

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

I. Guidelines of professional conduct:

An Independent Director shall:

1. Uphold ethical standards of integrity and probity.
2. Act objectively and constructively while exercising his duties.
3. Exercise his responsibilities in a bona fide manner in the interest of the company.
4. Devote sufficient time and attention to his professional obligations for informed and balanced decision making.
5. Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
6. Not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
7. Refrain from any action that would lead to loss of his independence.
8. Where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly.
9. Assist the company in implementing the best corporate governance practices.

II. Role and functions:

The Independent Directors shall:

1. Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
2. Bring an objective view in the evaluation of the performance of the board and management.

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3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
4. Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
5. Safeguard the interests of all stakeholders, particularly the minority shareholders.
6. Balance the conflicting interest of the stakeholders; determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of Executive Directors, Key Managerial Personnel and Senior Management.
7. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties :

The Independent Directors shall—

1. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.
2. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company.
3. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member.
4. Participate constructively and actively in the committees of the Board in which they are chairpersons or members.
5. Strive to attend the general meetings of the company.
6. Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting.
7. Keep themselves well informed about the company and the external environment in which it operates.
8. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
9. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company.
10. Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.
11. Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
12. Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees.

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13. Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

1. Appointment process of independent directors shall be independent of the company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of Independent Director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed Director is independent of the management.
4. The appointment of Independent Directors shall be formalized through a letter of appointment, which shall set out :
 - a) The term of appointment;
 - b) The expectation of the Board from the appointed Director; the Board-level committee(s) in which the Director is expected to serve and its tasks;
 - c) The fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d) Provision for Directors and Officers (D and O) insurance, if any;
 - e) The Code of Business Ethics that the company expects its Directors and employees to follow;
 - f) The list of actions that a Director should not do while functioning as such in the company; and
 - g) The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the company by any Shareholder during normal business hours.
6. The terms and conditions of appointment of Independent Directors shall also be posted on the website of the Company

V. Re-appointment:

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

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VI. Resignation or removal:

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

VII. Separate meetings:

1. The Independent Directors of the company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of management;
2. All the Independent Directors of the company shall strive to be present at such meeting;
3. The meeting shall:
 - a) Review the performance of Non-Independent Directors and the Board as a whole;
 - b) Review the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors and
 - c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

1. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated and
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

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Annexure II

IRDAI CORPORATE GOVERNANCE GUIDELINES

Responsibilities of the Board of Directors

1. The Board should ensure that the Governance principles set for the insurer comply with all relevant laws, regulations and other applicable codes of conduct.
2. The Board should set the following policies in consultation with the Management of the Company.
 - a. Define and periodically review the business strategy.
 - b. Define the underwriting policy of the insurer.
 - c. Determine the retention and reinsurance policy and in particular, the levels of retentions of risk by the insurer and the nature and extent of reinsurance protection to be maintained by the insurer.
 - d. Define the policy of the insurer as regards investment of its assets consistent with an appropriate asset liability management structure.
 - e. Define the insurer's policy on appointments and qualification requirements for human resources and ensure that the incentive structure does not encourage imprudent behaviour.
3. The Board should define and set the following standards:-
 - a. Define the standards of business conduct and ethical behaviour for directors and senior management.
 - b. Define the standards to be maintained in policyholder servicing and in redressal of grievances of policyholders.
4. The Board would be responsible to provide guidance for implementation of business strategy and review the same periodically.
5. As an integral part of proper implementation of the business strategy, the Board should take action as under:-
 - a. Establish appropriate systems to regulate the risk appetite and risk profile of the Company. It will also enable identification and measurement of significant risks to which the company is exposed in order to develop an effective risk management system.
 - b. Ensure that all directions of IRDAI are submitted to the Board and the recommendations are implemented as per the Board philosophy.
 - c. Ensure that the IT systems in the company are appropriate and have built-in checks and balances to produce data with integrity and put in place a business continuity and disaster recovery plan.
 - d. Ensure that the company has put in place a robust compliance system for all applicable laws and regulations.
 - e. Prescribe requirements and frequency of reporting in respect of each of the above areas of responsibility as may be decided by the Board.

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6. In discharge of the above and other Governance functions, the Board may delegate the responsibilities to mandated/ other recommended Empowered Committees of Directors while retaining its primary accountability.