

MAX FINANCIAL SERVICES LIMITED

Terms and conditions for appointment of Independent Directors

The appointment as an Independent Director (“ID”) on the Board of Directors of the Company (“the Board”) is subject to the applicable provisions of the Companies Act, 2013 (‘the Act’), other applicable laws, including SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended from time to time) and the Articles of Association of the Company (‘AOA’).

1. The terms of the appointment:

The appointment will be for a term up to maximum 5 years, to be decided by the Board and Shareholders of the Company, upon recommendation of Nomination and Remuneration Committee, unless terminated earlier or extended, as per the provisions of applicable laws (‘Term’). The Independent Director will not be liable to retire by rotation. The reappointment as an ID at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Shareholders of the Company. The reappointment will be considered by the Board based on the outcome of the performance evaluation process and subject to meeting the criteria for independence applicable for an ID.

Considering the nature of the role of a non-executive independent director, no specific parameters on time commitment can be laid down by the Company. In this regard, IDs are requested to devote such time as is prudent and necessary for the proper performance of the role, duties and responsibilities as an ID.

The Board of Directors, based on the review of experience, co-opt IDs on the committees of the Board, from time to time.

2. The fiduciary duties and responsibilities of the Director:

(i) The fiduciary duties and responsibilities as a director of the Board and collectively with the members of the Board will be to meet the objectives of the Board and include the following:

- Responsibilities of the Board as envisaged under the Act and the Listing Regulations,
- Adhering to Company’s Code of Conduct;
- Accountability under the Directors’ Responsibility Statement and meet the requirements under the Act; and
- Protecting the Max Brand.

The IDs shall abide by the duties of Director as provided in the Act, code for Independent Directors’ as stipulated under Schedule IV to Section 149(8) of the Act and the Listing Regulations.

(ii) The IDs will also be responsible for providing guidance to the Management in the area of their expertise.

3. Remuneration:

The IDs shall be paid Rs. 1,00,000/- as sitting fees for attending the meetings of the Board and also for the Committees, as and when appointed. Further, IDs shall also be entitled to receive commission, which shall be computed as % to net profits of the Company for each financial year and apportioned between the eligible directors, as determined by the NRC.

Further, the Company may bear or reimburse to IDs such fair and reasonable expenses, as may have been incurred by them while performing the role as an ID of the Company, including reimbursement of expenses incurred for attending the meetings.

4. Insurance:

The Company has taken an appropriate Directors' and Officers' Liability Insurance policy, which has adequate insurance cover for its members of the Board and senior management. This Policy will be renewed on a yearly basis. In the event of any claim or litigation against the Company, on any alleged misconduct, act or omission on part of IDs during their Term, IDs shall be requested to render all reasonable assistance and cooperation to the Company and provide relevant information and documents as are reasonably requested by the Company.

5. Induction and Development:

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

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

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

6. Performance Appraisal / Evaluation Process:

In terms of the provisions of the Act and Listing Regulations, 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 as determined by the Nomination and Remuneration Committee.

7. Disclosures under the Act:

During the Term, IDs are requested to promptly notify the Company of any change in their directorships and provide such other disclosures and information as may be required under the applicable laws. IDs are requested to promptly provide a declaration under Section 149(7) of the Act with respect to any change in circumstances which may affect their status as an Independent Director.

8. **Other terms:**

The 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 the case of resignation from the Board, IDs 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 the IDs in the notice, whichever is later.
