

Date:

To,

(Name and Address of Independent Director)

Dear Sir/Madam,

**Sub: Re-appointment as an Independent Director on the Board of IndiaFirst Life Insurance Company Limited**

We are pleased to re-appoint you as an **Independent Director (“ID”)** on the Board of Directors (the **“Board”**) of **IndiaFirst Life Insurance Company Limited (the “Company”)**.

This letter of re-appointment sets out terms and conditions of re-appointment which are subject to the extant provisions of the (i) the Insurance Act, 1938 (**“Insurance Act”**), the Companies Act, 2013 read with Rules made thereunder (**“Companies Act”**), Corporate Governance Guidelines issued by IRDAI (the **“CG Guidelines”**) (as amended from time to time) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) and (ii) Articles of Association of the Company as amended from time to time. Collectively these Acts and Article of Association of the Company will be referred to as applicable laws.

## 1. Re-appointment

- 1.1. Your term as an Independent Director is effective from (**“Date of re-appointment”**) for a period of 3 (Three) years (**“Second Term”**). Your appointment is subject to the approval of shareholders at the ensuing General Meeting of the Company and will not be liable to retire by rotation.
- 1.2. The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your re-appointment on such Committee(s) will be subject to applicable laws.

## 2. Expectations, Roles, Functions and Duties

- 2.1. As an Independent Director, you are expected to bring objectivity and independence of view to the Board’s discussions and to help provide the Board with effective inputs in relation to the Company’s strategy, performance and risk management as well as ensuring high standards of financial integrity and corporate governance. You are also expected to observe and comply with applicable laws, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to your directorship and the business of the Company.
- 2.2. Your role, functions and duties will be those normally required of an Independent Director under applicable laws, including the Insurance Act, Companies Act, CG Guidelines and Listing Regulations and in conformity with Section 149(8) read with Schedule IV of the

Companies Act including in relation to attendance of meetings, maintenance of confidentiality, safeguarding the interests of the stakeholders, bringing objective judgement, asking clarifications, etc.

- 2.3. In addition, your conduct will be governed by applicable laws, including the guidelines for professional conduct set out under the Code of Conduct for Board and Senior Management, as provided in Section 149(8) read with Schedule IV of the Companies Act, 2013, the duties of directors as set out under Section 166 of the Act and the duties and responsibilities as set out in Deed of Covenant prescribed under IRDAI Corporate Governance Guidelines. The aforementioned guidelines for professional conduct and duties and responsibilities of directors are enclosed as Annexure A.

### **3. Remuneration and Reimbursement of Expenses**

- 3.1. You will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time in compliance with applicable laws. Further, you may also be paid remuneration by way or profit related Commission as decided by Board and / or shareholders from time to time. The remuneration shall be subject to applicable taxes and the Company may withhold therefrom any amounts as are required to be withheld pursuant to applicable laws. Any tax liability arising in respect of payments made pursuant to your remuneration shall be borne solely by you.

- 3.2. The sitting fees presently paid to the Independent Directors are as follows:

- a) Board Meeting Rs. 1,00,000/- per meeting
- b) Other Committee Meeting Rs. 75,000/- per meeting

In case of any modification / change in the aforesaid, the Company shall intimate you accordingly.

- 3.4. In addition to the remuneration described above the Company will, for the period of your re-appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties as an Independent Director of the Company.

### **4. Directors' and Officers' Liability Insurance**

The Company has an appropriate Directors' and Officers' Liability Insurance policy and pays the premiums for the same. It is intended to maintain such insurance cover for the Term of your re-appointment and shall be maintained for all the actions taken by you while discharging your role as an Independent Director even after expiry of your term.

### **5. Disclosures, other directorships and business interests**

It is accepted and acknowledged that you may have business interests other than those of the Company. In the event that you become aware of any potential conflict of interest with your position as Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary and provide such other disclosures and information as

may be required under the applicable laws. You are required to declare to the Company any such directorships, appointments and interests to the Board at present and /or in future. Thereafter you are required declare to the Company whenever there is any change in the circumstances which may affect your status as an Independent Director.

## **6. Other Terms and Conditions**

### **6.1. Evaluation**

Your performance will be evaluated as per the requirements of the Acts as applicable from time to time.

### **6.2. Termination**

- I. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board stating the reason for resignation. Further, your re-appointment may be terminated in accordance with applicable laws.
- II. Continuation of your re-appointment is contingent on your willingness to continue as an Independent Director, and you getting re-appointed by the shareholders in accordance with applicable laws. You will not be entitled to compensation in case the shareholders of the Company do not re-appoint you at any point in time.

### **6.3. Confidentiality**

- (i) All information in relation to the Company acquired during your re-appointment and tenure as an Independent Director is confidential and should not be disclosed to third parties unless required by law.

As a director, you are subject to and bound by the prohibition and restrictions against Insider Trading and disclosure of unpublished price sensitive information, as prescribed under the Regulatory requirements.

### **6.4. Liability**

Subject to applicable laws, for any breach of your duties you will be liable to consequence prescribed under applicable laws and in relation to the Company, you would be liable for such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance, or where you have not acted diligently.

## **7. Miscellaneous**

- 7.1. Your re-appointment is also subject to the maximum permissible directorships that one can hold under applicable laws.,

7.2. You will not be an employee of the Company and this letter shall not constitute a contract of employment.

## 8. Changes in personal details

During your Term, you shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs and Institute of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

## 9. Contact Person

Name of the Company Secretary), (E - mail ID) : or (Contact no.) shall remain in regular touch with you to provide all required clarifications/information, as you may require relating to our Company.

## 10. Acceptance of Re-appointment

Please confirm your acceptance of the above terms by signing and returning the enclosed duplicate copy of this letter.

We look forward to your support and commitment towards the Company.

Yours sincerely,

**For and on behalf of IndiaFirst Life Insurance Company Limited**

\_\_\_\_\_  
(Authorised Signatory)

I hereby acknowledge receipt of and accept the terms set out in this letter.

Name of the Independent Director

Signed .....

Dated .....

**SCHEDULE IV**  
**(Code for Independent Directors of Companies Act, 2013)**

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

**I. Guidelines of professional conduct:**

An Independent Director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising 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 board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and 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;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. Duties:**

The Independent Directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which 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) assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

### **IV. Manner of appointment:**

- (1) Appointment process of Independent Directors shall be independent of the company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of an 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 an Independent Director shall include a statement that in the opinion of the Board, the



Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of Independent Directors shall be 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 member during normal business hours.

(6) The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website.

#### **V. Re-appointment:**

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

#### **VI. Resignation or removal:**

(1) The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An Independent Director who resigns or is removed from the Board of the company shall be replaced by a new Independent Director within "three months" from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

#### **VII. Separate meetings:**

(1) The Independent Directors of the company shall hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and members of management;

(2) All the Independent Directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

- (a) review the performance of Non-Independent Directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **VIII. Evaluation mechanism:**

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

#### **IndiaFirst Life Insurance Company Ltd**

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PROMOTED BY

