

# **FUTURE GENERALI INDIA INSURANCE COMPANY LIMITED**

CIN: U66030MH2006PLC165287

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## **Terms and Conditions of Appointment of Independent Directors**

### **1. Appointment**

The appointment of Independent Director would be subject to the approval of the Board of Directors and Shareholders of the company.

### **2. Term**

The Independent Directors will serve for not more than two terms of five years each. The Appointment for the second term as an Independent Director shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board of Directors and the shareholders by way of Special Resolution. The reappointment will be considered by the Board based on the evaluation of the performance and further subject to the satisfying the requisite criteria of independence as are specified in the Companies Act, 2013.

Independent directors would not be liable to retire by rotation pursuant to the provisions of the Companies Act, 2013.

A duly signed declaration confirming the adherence to the independence criteria would be obtained from the director based on which the Board would determine the classification of the director as an independent director.

The appointment shall also be subject to the maximum permissible Directorships that one can hold as per Companies Act, 2013.

### **3. Role, Duties and responsibilities**

The roles and duties of the Independent Directors shall be those as provided in Section 166 and Schedule IV of the Companies Act, 2013 and “The Role and responsibility of the Board and their Discharge” provided in Corporate Governance Guidelines for Insurers issued by IRDA. These will be elaborated in detail in the individual letters given to independent Directors

### **4. Induction on the Board Committees**

Based on the skills and expertise of the Independent Director, the Board may induct the Independent Director on the various Board level Committees as member or to chair such committees.

## **5. Time Commitment**

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. However the Independent Director agrees to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

## **6. Remuneration**

Independent Director would be entitled to sitting fees for attending the meetings of the Board and the Committees as applicable. The sitting fees will be within the limits prescribed by the Companies Act, 2013. They would also be entitled for reimbursement of such fair and reasonable expenditure, as may have been incurred for performing role as an Independent Director of the Company.

## **7. Insurance**

The Independent Directors shall be covered under the "Director;' and Officers' Liability Insurance policy procured by the Company.

## **8. Code of Conduct**

The Independent Director comply with the Code of Conduct enumerated under Schedule IV of the Companies Act, 2013.

## **9. Induction and Development**

The Company conducts formal induction program for its Independent Directors to update the Directors on the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,

The Company also supports Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company funds/arranges for training on all matters which are common to the whole Board.

## **10. Performance Appraisal / Evaluation Process**

The performance of the entire Board and its Committees shall be evaluated annually. Evaluation of Independent director shall be done by Board and the criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain

confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. The appointment/reappointment/continuation of the independent Director on the Board shall be subject to the outcome of the yearly evaluation process.

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

The Independent directors, during the tenure of appointment are expected to promptly notify to the Company of any change in the directorships, and provide such other disclosures and information as may be required under the applicable laws. Upon becoming aware of any potential conflict of interest with the position as an Independent Director of the Company they should disclose promptly the same to the Chairman and the Company Secretary.

The Independent directors, during the tenure of appointment should promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect the status as an Independent Director in addition to the annual disclosure.

## **12. Changes of personal details**

During the Tenure, the Director shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

## **13. Termination**

An independent Director may resign from the directorship of the Company by giving a notice 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.

Continuation of his/her appointment shall be contingent on his/her getting reelected by the shareholders in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. He/she will not be entitled to any compensation if the Shareholders do not reelect him/her at any time

The appointment of Independent director may also be terminated or ceased in accordance with law applicable and in accordance with the provisions of the Articles of Association of the Company. Apart from the grounds of termination as specified in the 2013 Act, directorship shall be terminated for violation of any provision of the Code of Conduct as applicable to Directors.

If at any stage during the Term, there is a change that may affect the status as an Independent Director as envisaged in Section 149(6) of the 2013 Act the Independent

Director agrees to promptly submit your resignation to the Company with effect from the date of such change.

#### **14. Cooperation**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on the part of the Independent Director during his Term, the Independent Director agrees to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

#### **15. Miscellaneous**

- The appointment letter represents the entire understanding, and constitutes the whole agreement in relation to the appointment and supersedes any previous agreement between the Independent Director 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 the appointment letter shall be valid unless made in writing and signed by the concerned Independent Director and the Company.

***NOTE: These are the general terms and conditions of appointment of Independent Directors which are subject to modification / amendment.***