

WEBSITE MESSAGE

Dear Customers,

Thank you for choosing Bharti AXA General Insurance as your preferred protection partner.

We would like to inform you, **the Bharti AXA General Insurance and ICICI Lombard General Insurance have entered into a Scheme of Arrangement, wherein general insurance business of the former shall be demerged into the latter.** A copy of the proposed Scheme of Arrangement is attached for your information. The transaction is subject to various regulatory approvals including IRDAI, NCLT, CCI & SEBI and this process will take approximately 12 months.

On this occasion, we would like to re-iterate our commitment to secure the interests of our customers and assure you that this ideology shall continue to remain as the foundation of all our actions.

With regards to the above mentioned development, we would like to assure you about the following:

- We are operating our business as usual and your insurance policy is secure with us, including any long term policies opted
- At this moment, during and post the merger, there will be complete continuity of products, benefits and services to our customers
- In case of a claim or any assistance, you are encouraged to reach out to Bharti AXA General Insurance Company Limited only on our contact points **1800 103 2292** or customer.service@bharti-axa.com as your policy is secure with us,
- Should you wish to renew your policy, you are encouraged to reach out to Bharti AXA General Insurance Company Limited **at 1800 103 2292** or customer.service@bharti-axa.com and we will be happy to assist you.
- Post approval of the merger:
 - The merged entity will proactively communicate the approach being adopted to further serve our customers and also the service touch points and contact details.
 - All policies will be migrated into the merged entity.

You have our commitment, that the merged entity shall only work towards enhancing your experience further and uphold the confidence that you have bestowed in us.

We thank you once again for your trust in us and we look forward to our continued relationship.

Warm Regards,
Bharti AXA General Insurance

SCHEME OF ARRANGEMENT

(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND SECTIONS 35 TO 37 OF THE INSURANCE ACT, 1938)

AMONGST

BHARTI AXA GENERAL INSURANCE COMPANY LIMITED
(Bharti AXA or Demerged Company)

AND

ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED
(ICICI Lombard or Resulting Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART A – GENERAL

I. PREAMBLE AND OVERVIEW OF THE SCHEME

- (a) This scheme of arrangement (“**Scheme**”, as more particularly defined below) is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined below) and Sections 35 to 37 and other applicable provisions of the Insurance Act (as defined below) read with Section 2(19AA) and other applicable provisions of the IT Act (as defined below), between Bharti AXA General Insurance Company Limited (“**Bharti AXA**” or the “**Demerged Company**”) and ICICI Lombard General Insurance Company Limited (“**ICICI Lombard**” or the “**Resulting Company**”) and their respective shareholders and creditors.
- (b) This Scheme provides for the following:
- (i) the transfer by way of a demerger of the Demerged Undertaking (as defined below) of the Demerged Company to the Resulting Company on a going concern basis, and the consequent issue of Consideration Shares (as defined below) by the Resulting Company to the shareholders of the Demerged Company in accordance with Clause 6 below; and
 - (ii) various other matters consequential or otherwise integrally connected therewith.

II. INTRODUCTION

- (a) Bharti AXA is a public limited company incorporated on July 13, 2007 under the provisions of the Companies Act, 1956 with Corporate Identification Number U66030MH2007PLC351131. Its registered office is situated at Unit No. 1902, 19th Floor, Parinee Creseenzo, 'G' Block, Bandra Kurla Complex, BKC Road, Near MCA Club, Bandra East, Mumbai 400051. Bharti AXA is registered as a general insurance company with the Insurance Regulatory and Development Authority of India (“**IRDAI**”) and is engaged in providing non-life insurance products to its customers. The shareholders of Bharti AXA are Bharti General Ventures Private Limited (“**Bharti**”) and Société Beaujon (“**AXA**”), who hold 51% and 49% stake in Bharti AXA, respectively.
- (b) ICICI Lombard is a public listed company incorporated on October 30, 2000 under the provisions of the Companies Act, 1956 with Corporate Identification Number L67200MH2000PLC129408. Its registered office is situated at ICICI Lombard House, 414, Veer Savarkar Marg, Near Siddhivinayak Temple, Prabhadevi, Mumbai, Maharashtra 400025, India. ICICI Lombard is registered as a general insurance company with IRDAI and is engaged in providing non-life insurance products to its customers. Equity shares of ICICI Lombard are listed on the BSE Limited and the National Stock Exchange of India Limited.

III. RATIONALE AND BENEFITS OF THIS SCHEME

This Scheme for the demerger and vesting of the Demerged Undertaking (as defined hereinafter) of Bharti AXA to ICICI Lombard, results in the following benefits:

- (a) Demerger is in the commercial interest of the Demerged Company and the Resulting Company, given as part of the demerger, the Demerged Company wants to retain, and the Resulting Company does not intend to acquire, the Residual Undertaking (*as defined hereinafter*) which includes immovable property owned by the Demerged

Company, brands used by and/or licensed to the Demerged Company and the ICICI Bonds (*as defined hereinafter*);

- (b) Demerger of the General Insurance Business and consolidation with the Resulting Company will help expand the business of the Resulting Company in the growing Indian market thereby creating greater value for the shareholders/ stakeholders of both the Demerged Company and the Resulting Company;
- (c) Demerger of the General Insurance Business and consolidation with the Resulting Company would aid in future growth of premiums by leveraging on the distribution strength and capabilities;
- (d) The Scheme is beneficial for and in the interest of the policyholders as the demerger creates a more robust and financially strong Resulting Company that can offer a wider product suite, more access points and comprehensive services to customers post completion of the Scheme;
- (e) The increased knowledge, experience and expertise is expected to improve business operations and thereby improve overall customer satisfaction;
- (f) Demerger of the General Insurance Business and consolidation with the Resulting Company is expected to create greater economies of scale thereby lowering the average costs and enhancing company profitability, which directly benefits shareholders and policyholders; and
- (g) Demerger of the General Insurance Business and consolidation with the Resulting Company is expected to bring in greater efficiency in funds management and unfettered access to cash flow generated by the business which can be deployed more efficiently to fund organic and inorganic growth opportunities.

The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Parties.

IV. PARTS OF THE SCHEME

The Scheme is divided into following parts:

- (a) **Part A** deals with the General part including the background of the Parties and the rationale and benefits of the Scheme;
- (b) **Part B** deals with the Definitions, Interpretation and Share Capital;
- (c) **Part C** deals with demerger of the Demerged Undertaking as a going concern into the Resulting Company, in compliance with Section 2(19AA) of the IT Act; and
- (d) **Part D** deals with the General Terms and Conditions applicable to the Scheme.

PART B - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless the context or meaning otherwise requires (i) terms defined in Part A above shall have the same meanings throughout this Scheme; and (ii) the following words and expressions, wherever used (including in Part A above), shall have the following meaning:

- 1.1. “**Act**” means the Companies Act, 2013 and the rules framed under such a statute and includes any alterations, modifications and amendments made to such a statute or any re-enactment of such a statute;
- 1.2. “**Allotment Date**” means a date agreed in writing between the Parties for allotment of Consideration Shares upon effectiveness of the Scheme;
- 1.3. “**Applicable Law**” means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, Tax laws, listing agreements, notifications, guidelines or policies of any applicable country and/ or jurisdiction including such rules and regulations issued by IRDAI, RBI, CCI, SEBI and any other Governmental Authority; (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority or recognized stock exchange; and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.4. “**Appointed Date**” means April 1, 2020;
- 1.5. “**Board**” in regard to a company or a body corporate, means the board of directors of such a company or body corporate as constituted from time to time and, unless repugnant to the subject, context or meaning thereof, includes every committee (including any committee of directors) or any Person authorised by the board of directors of such a company or body corporate or by any such committee;
- 1.6. “**CCI**” means the Competition Commission of India;
- 1.7. “**Consideration Shares**” means 3,57,56,194 equity shares of Resulting Company of INR 10 each fully paid up, as appropriately adjusted only for any stock split, consolidation of shares, bonus share issuances, or issuance of any employee stock options (save and except the Permitted ESOPs) undertaken during the Implementation Period, to be issued to Bharti and AXA in the following proportion (being the proportion of their shareholding as on the date on which the Scheme is approved by the Boards of the Demerged Company and the Resulting Company), ignoring any fractional entitlements, pursuant to and as contemplated in this Scheme: Bharti 1,82,35,659 equity shares and AXA 1,75,20,535 equity shares;
- 1.8. “**Demerged Company**” has the meaning set out in Preamble I (a);
- 1.9. “**Demerged Undertaking**” means the entire General Insurance Business of the Demerged Company as a going concern as on the Appointed Date, including, without limitation all undertakings, activities, operations, assets, investments, rights, approvals, licenses and powers, leasehold rights and all its debts, outstandings, liabilities, duties, obligations and employees, in each case pertaining to the Demerged Company but excluding at all times the Residual Undertaking. Without prejudice to the generality of the foregoing, the Demerged Undertaking shall include, without being limited to, the following:

- (a) all property of the General Insurance Business including all assets wherever situated, whether movable or immovable, present or future, leasehold or freehold, owned or leased, properties of every kind, nature, character and description whether tangible, intangible, including, without limitation, technical and business know how, computers and accessories, software and related data, offices, vehicles, electricals, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipment, computers, communication facilities, installations, tools, vehicles, and merchandise (including, supplies, advertisement and promotional material), wherever lying, actionable claims, current assets, earnest monies and sundry debtors, financial assets, investment outstanding loans and advances recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other Persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, GST credits or set-offs, and tax deducted at source if any, that pertain to the General Insurance Business;
- (b) all deposits and balances with Governmental Authorities, customers and other Persons, advance monies, earnest monies, payment against warrants or other entitlements, premium or policy payment received and, or, security deposits (including interest) paid or received, earnest monies or other entitlements directly or indirectly, in connection with the General Insurance Business;
- (c) investments of all kinds (including shares and securities whether in dematerialised or physical form, scrips, stocks, bonds, debenture stock, mutual fund units, pass through certificates or security receipts) government securities, reverse repo, exchange traded funds, fixed deposits, corporate bonds, additional tier 1 (AT1) bonds issued by banks, including all investments made out of policyholders' funds or shareholders' funds, policyholders' unclaimed funds, amounts receivable from reinsurers, outstanding premium, amounts receivable from counterparties to the derivative contracts and receivables from any parties under any agreements in force, all cash balances with the other banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, money market instruments including rated certificates of deposits and commercial papers, repos, reverse repo, treasury bills, call, notice, term money, buildings, structures and offices held for the benefit of, or enjoyed by, or to which, the Demerged Company may be entitled to and the depository participant accounts pertaining to the General Insurance Business;
- (d) all permits, licenses, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties, bid acceptances, tenders, registrations of website with IRDAI as an insurance self-networking platform, and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the General Insurance Business other than the IRDAI Registration;
- (e) all contracts, indenture, agreement, legally binding arrangement, insurance contracts obtained, insurance policies obtained, agreements, purchase orders/service orders, distribution agreement, agreements with insurance brokers, contracts with reinsurance

providers, corporate agency agreements, web aggregator agreements, agreements with third party administrators, agreements with or in relation to hospitals/clinics/healthcare providers, agreements with motor service providers, agreements for roadside assistance, agreements with surveyors, lawyers and claim investigators, technology license agreements, operation and maintenance contracts, forms, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers obtained and claims made thereon, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the General Insurance Business (“**Transferring Contracts**”);

- (f) all Insurance Policies;
- (g) all the credits for taxes such as sales tax, value added tax, service tax, CENVAT, GST and other indirect taxes, advance tax, tax credits (including but not limited to minimum alternate tax credit, pre-deposits made in indirect taxes), deferred tax benefits, tax deduction at source, accumulated losses and unabsorbed depreciation as per books if any as well as per the IT Act, enjoyed by the Demerged Company pertaining to the General Insurance Business;
- (h) all exemption, benefits, allowance, rebates, etc. under IT Act (including right to admissibility of claim under Sections 40(a), 43B of the IT Act or such provisions becoming admissible in the period after the Appointed Date on discharging liabilities pertaining to General Insurance Business or reserve for unexpired risks or additional reserve which is not allowed as a deduction to Demerged Company, the same manner and to the same extent as the Demerged Company would have been entitled to deduction but for the demerger);
- (i) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the General Insurance Business;
- (j) all Liabilities;
- (k) all employees, probationers, permanent employees, temporary employees, trainees and other persons employed by the Demerged Company on its payrolls, engaged in connection with the General Insurance Business as on the Effective Date, other than those agreed between the Demerged Company and Resulting Company in writing (“**Transferring Employees**”);
- (l) all reserves by whatever name called pertaining to the General Insurance Business; and

- (m) all legal or other proceedings, claims, notices, demands and obligations of whatsoever nature and whether known or unknown, contingent or otherwise, present or future relating to the General Insurance Business, excluding those related to the Residual Undertaking (“**Transferring Litigations**”).

Any question that may arise as to whether a specific asset or liability or any other property or employee pertains or does not pertain to the General Insurance Business of the Demerged Company or whether it arises out of the activities or operations of the General Insurance Business shall be decided by mutual agreement between the Board of the Demerged Company and the Resulting Company.

- 1.10. “**Effective Date**” has the meaning assigned to such term in Clause 10.2 hereof; any references in this Scheme to “coming into effect of this Scheme” or “pursuant to effectiveness of the Scheme” or “Scheme becoming effective” means and refers to the Effective Date;
- 1.11. “**EPFO**” means Employees’ Provident Fund Organisation;
- 1.12. “**GAAP**” means generally accepted accounting principles;
- 1.13. “**General Insurance Business**” means the business of the Demerged Company of providing non-life insurance products and related services pursuant to registration number 0139 issued by the IRDAI on June 27, 2008 (“**IRDAI Registration**”);
- 1.14. “**Governmental Authority**” means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, Tax authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange in India or any other country including the ROC, Regional Director, IRDAI, CCI, RBI, Department of Economic Affairs, SEBI, Stock Exchanges, NCLT, and such other sectoral regulators or authorities as may be applicable;
- 1.15. “**ICICI Bonds**” means collectively the following non convertible debentures held by the Demerged Company: (i) non convertible debentures bearing ISIN number INE090A08TZ5 issued by ICICI Bank Ltd. for an amount of INR 35,00,00,000 at 8.55 % coupon, (ii) non convertible debentures bearing ISIN number INE090A08TW2 issued by ICICI Bank Ltd. for an amount of INR 20,00,00,000 at 9.20 % coupon, and (iii) non convertible debentures bearing ISIN number INE090A08UC2 issued by ICICI Bank Ltd. for an amount of INR 25,00,00,000 at 9.90 % coupon;
- 1.16. “**Implementation Period**” means the period between the date on which the Scheme is approved by the Boards of the Demerged Company and the Resulting Company, and the Allotment Date;
- 1.17. “**Indian Investor**” has the meaning ascribed to it in Clause 16.5;
- 1.18. “**Indian Rupees**” or “**INR**” means Indian Rupees, the lawful currency of the Republic of India;

- 1.19. **“Insurance Act”** means Insurance Act, 1938, the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force;
- 1.20. **“Insurance Policies”** means the insurance policies including co-insurance and reinsurance accepted and pool arrangements issued, granted, endorsed by the Demerged Company to its customers and/or policy holders including but not limited to motor insurance, health and personal accident insurance, marine insurance for cargos, property insurance, construction and engineering insurance, liability insurance, agriculture or crop insurance;
- 1.21. **“Insurance Laws”** means the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999 and the rules, regulations, guidelines, notifications, circulars and orders prescribed thereunder by the IRDAI which are applicable to a company carrying on general insurance business in India, in each case as amended from time to time;
- 1.22. **“Interim Funding Amount”** has the meaning ascribed to it in Clause 16.5;
- 1.23. **“Interim Funding Compensation”** has the meaning ascribed to it in Clause 16.5;
- 1.24. **“Interim Funding Resolution Period”** has the meaning ascribed to it in Clause 16.7;
- 1.25. **“IRDAI Amalgamation Regulations”** means the Insurance Regulatory and Development Authority (Scheme of Amalgamation and Transfer of General Insurance Business) Regulations, 2011, as amended from time to time;
- 1.26. **“IRDAI Regulations”** means collectively, Sections 6A, 35 to 37 and other applicable provisions of the Insurance Act, 1938, IRDAI Amalgamation Regulations, IRDAI (Transfer of Equity Shares of Insurance Companies) Regulations, 2015, IRDAI (Listed Indian Insurance Companies) Guidelines, 2016, IRDAI (Other Forms of Capital) Regulations, 2015, as amended from time to time;
- 1.27. **“Issue Price”** means price at which the Consideration Shares are to be issued, calculated in accordance with Applicable Laws and presented in the meeting of the Board of the Resulting Company for approving the draft Scheme;
- 1.28. **“IT Act”** means the Income-tax Act, 1961 and the rules, regulations, guidelines, notifications, circulars and orders prescribed thereunder, in each case as amended from time to time;
- 1.29. **“Liabilities”** means all debts, liabilities, duties, obligations, of the Demerged Company, of any kind, nature or description, including, whether known or unknown, contingent or otherwise, present or future, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, whenever or however arising, other than the debts, liabilities, obligations comprising the Residual Undertaking, in each case identified after due consideration of the applicable provisions of Section 2(19AA) of the IT Act, and the term Liabilities shall include, without limitation:
- (a) liabilities in connection with or pertaining or relatable to the General Insurance Business of every kind, nature and description, whether known or unknown, contingent or otherwise, present or future; and
 - (b) the specific loans or borrowings (including debentures, if any, raised, incurred and utilized solely for the activities or operations) of the General Insurance Business.

- 1.30. “**NCD 1**” means 350 rated, listed, unsecured, subordinated, fully paid-up, redeemable and non-convertible debentures, each having a face value of INR 1,000,000 (Rupees One Million only) issued by Demerged Company aggregating to INR 350,000,000 (Rupees Three Hundred Fifty Million only), on a private placement basis and listed in the debt segment on National Stock Exchange of India Ltd.;
- 1.31. “**NCD 2**” means 2200 rated, unlisted, unsecured, subordinated, fully paid-up, redeemable and non-convertible debentures, each having a face value of INR 1,000,000 (Rupees One Million only) issued by Demerged Company, aggregating to INR 2200,000,000 (Rupees Two Thousand Two Hundred Million only), on a private placement basis;
- 1.32. “**NCDs**” means NCD 1, NCD 2 and any other non convertible debentures issued by Demerged Company prior to the Effective Date;
- 1.33. “**NCLT**” means the National Company Law Tribunal having jurisdiction over the Demerged Company and Resulting Company as the case may be, as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;
- 1.34. “**Onerous Condition**” would mean a condition or restriction imposed which either (i) requires or contemplates a material change to the structure of the Scheme; or (ii) a condition that would, in the reasonable opinion of the Demerged Company or Resulting Company, as the case may be, make it commercially unviable to consummate the Scheme;
- 1.35. “**Parties**” mean Demerged Company, and Resulting Company, collectively;
- 1.36. “**Permitted ESOP**” means any employee stock options issued or that may be issued under the ICICI Lombard Employee Stock Option Scheme – 2005, including 7,153,020 unexercised employee stock options as of June 30, 2020;
- 1.37. “**Person**” means and includes any natural person, limited or unlimited liability company, corporation, limited or unlimited liability partnership firm, proprietorship firm, Hindu undivided family, trust, union, association or Governmental Authority or any other entity that may be treated as a person under Applicable Laws;
- 1.38. “**Promoters**” means collectively Bharti and AXA;
- 1.39. “**RBI**” means the Reserve Bank of India;
- 1.40. “**Record Date**” means August 21, 2020, being the date on which the Scheme is approved by the Boards of the Demerged Company and Resulting Company;
- 1.41. “**Residual Undertaking**” means exhaustively:
- (a) the office premises located at ‘Unit No.1901 & 1904, 19th floor, Parinee Crescenzo, Plot No C 38 & C-39, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 053’ which is owned by the Demerged Company, along with all underlying lease/licence agreements;
 - (b) ICICI Bonds;

- (c) all brands, trademarks, logos, and other intellectual property containing either or both of the words “Bharti” and “Axa” or any derivatives thereof, along with all right, privileges and entitlements to use such brands and all related assets and / or liabilities;
 - (d) intellectual property owned by Bharti and/ or AXA and licensed to, or being used by, the Demerged Company (including but not limited to the domain name of the Demerged Company);
 - (e) all employees, probationers, permanent employees, temporary employees, trainees and other persons employed by the Demerged Company on its payrolls, other than Transferring Employees; and
 - (f) any other assets and/or, liabilities which may arise in connection with the foregoing;
- 1.42. **“Resulting Company”** has the meaning set out in Preamble I (a);
- 1.43. **“ROC”** means the Registrar of Companies having jurisdiction over the Demerged Company or the Resulting Company, as the case may be;
- 1.44. **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this scheme of arrangement in as modified from time to time, as per Clause 9 of the Scheme;
- 1.45. **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.46. **“Stock Exchange”** means BSE Limited and/ or the National Stock Exchange of India Limited and **“Stock Exchanges”** shall mean both collectively; and
- 1.47. **“Taxes”** means any and all forms of taxation, imposts, duties, and levies, whether direct or indirect, deductible at source or otherwise, relating to income, book profits, services profession, wealth, entry, capital gains, municipal, state, federal, sales, value added, excise, import duties, service tax, goods and services taxes, withholding, employment, payroll, stamp duty, social security tax, entry tax, property tax, professional tax together with any cess, interest, penalties, surcharges or fines relating thereto and whether any amount in respect of any of them is recoverable from any other Person, whether imposed under Applicable Laws. It is clarified that the term **“Taxes”** shall include any interest, surcharges, cess, penalties or additional taxes payable in connection therewith; Correlative terms such as “tax” and “taxation” shall be construed in accordance with this definition.

2. INTERPRETATION

- 2.1.1. References to clauses and schedules, unless otherwise provided, are to clauses and schedules of and to this Scheme.
- 2.1.2. Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.
- 2.1.3. Any reference to “as agreed between the Parties” or “as agreed between the Board of the Demerged Company and the Resulting Company” is a reference to the mutual understanding

of the Demerged Company and the Resulting Company, as reflected in any written document or form and for the purposes of identification initialed and/or signed (including electronically) by or on behalf of the Demerged Company and the Resulting Company.

- 2.1.4. The words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately followed the same.
- 2.1.5. The words “other”, “or otherwise” and “whatsoever” shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to.
- 2.1.6. References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- 2.1.7. One gender includes all genders and references to the singular include the plural and *vice versa* and reference to any gender includes a reference to other genders; references to “it” shall be deemed to include references to “him or her as the case may be”.
- 2.1.8. If a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day.
- 2.1.9. A reference to a balance sheet or profit and loss account shall include a reference to any note forming part of it.
- 2.1.10. The words “directly or indirectly” mean directly or indirectly through one or more affiliates, associates, relatives or other intermediary persons and “direct or indirect” shall have the correlative meanings.
- 2.1.11. Headings, subheadings, titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.
- 2.1.12. An asset, contract, proceeding, resource or other matter that is agreed between the Parties in writing to be or not to be primarily relatable to or used in a Demerged Undertaking shall be deemed for the purposes of this Scheme to be or not be (respectively) primarily relatable to or used in a Demerged Undertaking.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall become effective from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL

- 4.1. The authorized, issued and paid up share capital of Bharti AXA as on June 30, 2020 is as under:

| Share Capital | Amount (INR in Crores) |
|---|-----------------------------------|
| Authorized Share Capital | |
| 4,00,00,00,000 equity shares of INR 10 each | 4,000 |
| TOTAL | 4,000 |
| Issued Capital | |
| 2,06,64,45,322 fully paid up equity shares of INR 10 each | 2,066.45 |
| Subscribed and Paid Up Share Capital | |
| 2,05,59,81,216 fully paid up equity shares of INR 10 each | 2,055.98 |

- 4.2. The authorized, issued and paid up share capital of ICICI Lombard as on June 30, 2020 is as under:

| Share Capital | Amount (INR in Crores) |
|---|-----------------------------------|
| Authorized Share Capital | |
| 47,50,00,000 equity shares of INR 10 each | 475.00 |
| TOTAL | 475.00 |
| Issued and paid-up Share Capital* | |
| 45,44,74,954 fully paid up equity shares of INR 10 each | 454.47 |
| TOTAL | 454.47 |

* As of June 30, 2020, there are 7,153,020 unexercised employee stock options (net of lapse/forfeiture) of the employees of the Resulting Company.

**PART C - DEMERGER AND VESTING OF DEMERGED UNDERTAKING
OF DEMERGED COMPANY INTO RESULTING COMPANY**

5. DEMERGER AND VESTING OF DEMERGED UNDERTAKING

5.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall, in accordance with Section 2(19AA) of the IT Act and Sections 230 to 232 of the Act, along with Section 35 to 37 of the Insurance Act, read with the provisions of the IRDAI Amalgamation Regulations, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern.

5.2. It is hereby clarified that notwithstanding anything stated herein, the Demerged Company shall not transfer the Residual Undertaking (in whole or part) to the Resulting Company.

5.3. Transfer of assets

5.3.1. Without prejudice to the generality of Clause 5.1 and 5.2 above, upon the Scheme becoming effective:

- (i) All the assets and properties (whether moveable or immovable) forming part of the Demerged Undertaking of whatsoever nature and wheresoever situated and which are incapable of passing by manual delivery, shall, pursuant to the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed be and stand transferred to and vested in the Resulting Company or be deemed to be transferred to and vested in the Resulting Company so as to become the assets and properties of the Resulting Company. For purposes of taking on record the name of the Resulting Company in the records of the Governmental Authorities in respect of transfer of immovable properties to the Resulting Company pursuant to this Scheme, the Boards of the Demerged Company and the Resulting Company shall approve the execution of such documents or deeds and registration with Governmental Authority as may be necessary;
- (ii) Without prejudice to the provisions of Clause 5.3.1(i), in respect of such assets and properties forming part of the Demerged Undertaking as are movable in nature or otherwise capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Resulting Company and shall become the property of the Resulting Company in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognized as that of the Resulting Company, absolutely and forever; and
- (iii) In respect of the assets relating to the Demerged Undertaking other than those specified in Clause 5.3.1(ii) above the same shall, on and from the Appointed Date, stand transferred to the Resulting Company and to the extent such asset is a debt, loan, receivable, advance or deposit, appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors. Provided that the Resulting Company may itself, at its sole discretion and shall, at any time after coming into effect of this Scheme in accordance with the provisions hereof or if so required under any Applicable Law, give notices in such form as it may deem fit and proper, to each person, as the case may be, that

pursuant to the Scheme becoming effective, the said debt, loan receivable, advance or deposit stands transferred and vested in the Resulting Company and be paid or made good or held on account of the Resulting Company as the person entitled thereto.

- (iv) All assets and properties comprised in the Demerged Undertaking of the Demerged Company, which are acquired by the Demerged Company on or after the Appointed Date till the Effective Date in relation to and forming part of the Demerged Undertaking (whether or not included in the books of the Demerged Company), shall be deemed to be and shall become the assets and properties of the Resulting Company by virtue of and in the manner provided in this Scheme and shall, pursuant to the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Resulting Company or be deemed to be transferred to and vested in the Resulting Company.

5.4. Transfer of Liabilities

- 5.4.1. Upon the coming into effect of this Scheme, all Liabilities pertaining to the Demerged Undertaking, as on / up to the Appointed Date (or anytime thereafter) shall, without any further act or deed, stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company, which shall meet, discharge and satisfy the same to the exclusion of the Demerged Company. It shall not be necessary to separately obtain consents of any third party or other person who is a party to any contract or arrangement by virtue of any of the Liabilities which have arisen in order to give effect to the provisions of this Clause. The provisions of this Clause 5.4 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant Liability relates to or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions.
- 5.4.2. Without prejudice to the foregoing provisions of this Clause, upon the coming into effect of the Scheme, the NCDs shall pursuant to provisions of Section 230-232 of the Act and IRDAI Regulations, subject to approval of the IRDAI and any conditions imposed by IRDAI, without any further act, instrument or deed, become NCDs of the Resulting Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and shall be exercised by or against the Resulting Company as if it were the issuer of such NCDs, so transferred and vested. Subject to requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with Stock Exchanges, such listed non-convertible debentures which stand transferred to the Resulting Company pursuant to the transfer of NCDs, shall be listed and/or admitted to trading on the debt segment of the relevant Stock Exchanges, where the relevant NCDs may be listed. The Resulting Company shall execute appropriate documents as may be required under Applicable Law for issuance and allotment of non-convertible debentures in lieu of the NCDs to the holders of NCDs as on a date mutually agreed between the Parties prior to the Effective Date. Upon such issuance and allotment, the NCDs shall stand extinguished and cancelled.
- 5.4.3. Where any of the Liabilities relating to the Demerged Undertaking have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

5.4.4. Upon the coming into effect of the Scheme, all Liabilities incurred after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act, or deed, stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same to the exclusion of the Demerged Company. It shall not be necessary to separately obtain consents of any third party or other person who is a party to any contract or arrangement by virtue of any of the Liabilities which have arisen in order to give effect to the provisions of this Clause. The provisions of this Clause 5.4 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant Liability relates to or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions.

5.5. Legal Proceedings

5.5.1. Upon the Scheme becoming effective, all Transferring Litigations, pending on the Effective Date, shall be continued, prosecuted and enforced by or against the Resulting Company, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company.

5.5.2. The Resulting Company (a) shall be replaced/added (as may be required) as party to Transferring Litigations; and (b) shall, subject to any agreement between the Parties and subject to any liabilities that would remain with the Demerged Company by operation of Applicable Law, prosecute or defend or enforce such proceedings as the case may be to the exclusion of the Demerged Company. Each of the Parties shall be entitled to make relevant applications in that behalf, as may be required.

5.6. Employees

5.6.1. Upon the Scheme becoming effective, all Transferring Employees shall be deemed to have become the employees of the Resulting Company, on terms and conditions not less favourable than those on which they are employed by the Demerged Company and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertaking to the Resulting Company.

5.6.2. The Resulting Company agrees that for the purpose of payment of any compensation, retrenchment compensation, gratuity and other terminal benefits, if any applicable or required, the past services of the Transferring Employees with the Demerged Company shall also be taken into account, and pay the same as and when payable.

5.6.3. All on-going leave balances, leave encashments, deferred cash benefits and such other dues of the Transferring Employees shall stand transferred to the Resulting Company and the Transferring Employees shall be treated as in continuous employment in terms of Clause 5.6.1 above.

5.6.4. Upon this Scheme becoming effective, all contributions to funds and schemes in respect of provident fund (including contributions made to or deposited with the appropriate office of the EPFO maintained by the appropriate Regional Provident Fund Commissioner), employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the Transferring

Employees shall be made by the Resulting Company in accordance with the provisions of such schemes or funds and Applicable Law. Subject to Applicable Law, the existing provident fund (including contributions made to or deposited with the appropriate office of the EPFO maintained by the appropriate Regional Provident Fund Commissioner), employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Demerged Company for the Transferring Employees shall be continued on the same terms and conditions and will be transferred to the existing provident fund (including those with the appropriate office of the EPFO maintained by the appropriate Regional Provident Fund Commissioner as applicable), employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by or as may be created by the Resulting Company without any separate act or deed/approval.

5.7. Contracts, Deeds, etc.

5.7.1. Notwithstanding anything to the contrary contained in any Transferring Contracts, upon the coming into effect of the Scheme, all Transferring Contracts subsisting or having effect on the Effective Date, shall continue in full force and effect and all rights and obligations stipulated therein (except as otherwise agreed) shall be for the benefit of the Resulting Company, and may be enforced effectively by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto from inception.

5.7.2. The Resulting Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, be entitled to execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Demerged Company in relation to the Demerged Undertaking have been a party, including any filings with the relevant Governmental Authorities, in order to give formal effect to the above provisions. The Resulting Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company in relation to the Demerged Undertaking.

5.8. Permits

5.8.1. All approvals and other consents, permissions, incentives, special status, grants, subsidies, special status, quotas, rights, authorizations, entitlements, no-objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature granted or issued by any Governmental Authority to the Demerged Company or to which the Demerged Company is a party or to the benefit of which the Demerged Company may be entitled to use and which may be required to carry on the operations of the Demerged Undertaking, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect and vest in favour of the Resulting Company and may be enforced as fully and effectually as if, the Resulting Company had been a party, a beneficiary or an obligee thereto. The IRDAI Registration of the Demerged Company shall, subject to the directions of the IRDAI, be surrendered with, or cancelled by IRDAI as it may deem fit, after the Effective Date.

5.8.2. The Resulting Company shall be entitled to undertake and carry out the business pertaining to the Demerged Undertaking pursuant to the effectiveness of the Scheme on its own account,

pending the transfer of any approvals and other consents, permissions, quotas, rights, authorizations, entitlements, no-objection certificates and licenses, privileges, powers and facilities of every kind and description, that may be required under Applicable Law in the name of the Resulting Company and would be entitled to make any applications, requests and the like in this regard. Any Governmental Authority required to give effect to any provisions of this Scheme, shall take on record the order of NCLT sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective.

5.9. Taxes and Taxation

- 5.9.1. Upon the Scheme becoming effective, the Demerged Company and the Resulting Company are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the IT Act, goods and service tax laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 5.9.2. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation, in respect of income tax, tax deducted at source, wealth tax, goods and service tax, etc.) to which the Demerged Company is entitled in terms of Applicable Laws in relation to the Demerged Undertaking, shall be available to and vest in the Resulting Company, upon this Scheme coming into effect.
- 5.9.3. Without prejudice to the generality of the above, all exemption, benefits, allowance, rebates, etc. under IT Act (including right to admissibility of claim under Section 40(a), 43B of the IT Act or such provisions becoming admissible in the period after the Appointed Date on discharging liabilities pertaining to Demerged Undertaking or reserve for unexpired risks or additional reserve which is not allowed as a deduction to Demerged Company, the same manner and to the same extent as the Demerged Company would have been entitled to deduction but for the demerger) shall be available to and vest in the Resulting Company, upon this Scheme coming into effect.
- 5.9.4. This Scheme complies with the conditions relating to “demerger” as defined under Section 2(19AA), Section 47, Section 72A and other relevant sections and provisions, of the IT Act and is intended to apply accordingly. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, Parties shall negotiate in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions.

6. CONSIDERATION FOR DEMERGER

- 6.1. Upon this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company in terms of this Scheme, the Resulting Company shall, without any further application, act or deed, issue and allot the Consideration Shares on the Allotment Date to the Promoters as per their proportionate shareholding on the Record Date.

- 6.2. For the purpose of issue and allotment of the Consideration Shares pursuant to this Clause 6, the following terms shall apply:
- 6.2.1. The Board of Resulting Company shall, if and to the extent required, apply for and obtain any approvals from the concerned Governmental Authority and undertake necessary compliance for the issue and allotment of Consideration Shares pursuant to Clause 6.1 of the Scheme.
- 6.2.2. The Consideration Shares issued pursuant to Clause 6.1 shall be issued in dematerialized form unless otherwise mutually agreed by the Parties.
- 6.2.3. Approval of this Scheme by the shareholders of Resulting Company shall be deemed to be in due compliance of the provisions of Section 42, and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the Consideration Shares by Resulting Company as provided in this Scheme.
- 6.3. The Consideration Shares issued under the Clause 6.1 shall be subject to the provisions of the memorandum and articles of association of the Resulting Company and shall rank *pari passu* in all respects with the then existing equity shares of the Resulting Company.
- 6.4. In the event that the Resulting Company restructures its equity share capital by way of stock split, consolidation of shares, bonus share issuances, or issuance of any employee stock options (save and except the Permitted ESOPs) during the Implementation Period, the issue of shares pursuant to Clause 6.1 above, shall be appropriately adjusted to take into account the effect of any such actions.
- 6.5. The Consideration Shares allotted and issued in terms of Clause 6.1 above, shall be listed and/or admitted to trading on the Stock Exchanges after obtaining the requisite approvals and within the time prescribed under Applicable Law or such other lesser time as the Parties may specifically agree in writing. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the Stock Exchanges.

7. ACCOUNTING TREATMENT

- 7.1. Upon the Scheme becoming effective, demerger of Demerged Undertaking of the Demerged Company into Resulting Company will be accounted for in accordance with the applicable accounting standards and Clause 7 (Accounting Treatment) of the Scheme.
- 7.2. **Accounting treatment in the books of the Demerged Company**
- 7.2.1. On the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall account for demerger in its books as under:
- (a) All the assets and liabilities of the Demerged Company pertaining to the Demerged Undertaking, being transferred to the Resulting Company, shall be reduced from the books of accounts of the Demerged Company at their respective book values at the close of business on the day immediately preceding the Appointed Date.
- (b) The excess/deficit, if any, of the book value of the assets over the book value of the liabilities of the Demerged Company which have been transferred pursuant to this Scheme, shall be debited/credited to the “Debit Balance in Profit And Loss Account”

in the financial statements of the Demerged Company as drawn up in compliance with the Scheme and applicable accounting standards of the Demerged Company.

7.3. Accounting treatment in the books of the Resulting Company

- 7.3.1. On the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for demerger in its books as under:
- (a) Demerger of Demerged Undertaking of the Demerged Company into Resulting Company shall be accounted for in the books of account of the Resulting Company in accordance with GAAP and applicable accounting standards;
 - (b) The Resulting Company shall record the assets, liabilities and reserves pertaining to the Demerged Undertaking vested in it pursuant to this Scheme, at their respective book values / carrying values in the books of the Demerged Company;
 - (c) The identity of the reserves, shall be preserved, and they shall appear in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company;
 - (d) The inter-corporate debentures, bonds, borrowings, deposits / loans and advances outstanding, if any, between the Resulting Company and the Demerged Undertaking of the Demerged Company as on the Effective Date will stand cancelled and there shall be no further obligation in that behalf. Further, any other inter-company payables and receivables between the Demerged Undertaking of the Demerged Company and the Resulting Company shall be cancelled and the Resulting Company shall accordingly credit the concerned payable against related receivables in its books and debit the concerned receivable against the related payables in its books;
 - (e) The Resulting Company shall issue and allot equity shares to the shareholders of the Demerged Company in accordance with Clause 6 above and credit the aggregate face value of such equity shares to its share capital account. The difference between the Issue Price and aggregate face value of Consideration Shares shall be credited to securities premium account;
 - (f) The surplus / deficit, if any, of the net value of assets, liabilities and reserves of the Demerged Undertaking of the Demerged Company acquired and recorded by the Resulting Company over the amount recorded as share capital issued (including securities premium) and Interim Funding Compensation, if any, shall be credited or debited, as the case may be, to the reserves in the financial statements of the Resulting Company;
 - (g) In case of any difference in the accounting policies between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference, if any, will be quantified and shall be adjusted in the Reserves, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy;
 - (h) Notwithstanding the above, the Board of the Resulting Company is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit in accordance with the prescribed accounting standards, applicable IRDAI regulations

and applicable generally accepted accounting principles as applicable to the Resulting Company.

8. INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY

8.1. Upon this Scheme becoming effective, the authorized share capital of the Resulting Company will automatically stand increased to INR 550,00,00,000 (Rupees Five Hundred Fifty Crores) by simply filing the requisite forms with the Governmental Authority and no separate procedure or instrument or deed shall be required to be executed and/or process shall be required to be followed under the Act.

8.2. Consequently, Clause V of the memorandum of association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Act and other applicable provisions of the Act, as the case may be, and be replaced by the following clause:

“V. The Authorised Share Capital of the Company is Rs. 550,00,00,000 (Rupees Five Hundred Fifty Crores only) divided into 55,00,00,000 (Fifty Five Crores) shares of Rs 10/- (Rupees Ten only) each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase or reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, cumulative, convertible, qualified or other special rights, privileges, conditions, or restrictions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify, or abrogate any such rights , privileges or conditions or restrictions in such manner as may be permitted by the Companies Act, 2013, the Insurance Act, 1938 or provided by the Articles of Association of the Company for the time being.”

8.3. It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/approval also to the consequential alteration of the memorandum of association of the Resulting Company and the Resulting Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the memorandum of association, as required under Sections 13, 61, 62 and 64 of the Act and other applicable provisions of the Act.

PART D - GENERAL TERMS AND CONDITIONS

9. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Demerged Company and the Resulting Company shall have the right to amend or modify the Scheme, as they deem fit in order to remove difficulties arising in giving effect to this Scheme, subject to Applicable Law. Provided that no amendment or modification will be made to the Scheme without specific and written approval of each of the Promoters and the authorized signatory of each of the Demerged Company and the Resulting Company.

10. CONDITIONS PRECEDENT

10.1. The Scheme is and shall be conditional upon and subject to satisfaction (or waiver in such manner as may be mutually agreed between the Parties) of each of the following conditions (“**Conditions Precedent**”):

10.1.1. CCI approving this Scheme and the other transactions contemplated in this Scheme;

10.1.2. Certified copy of the order of the NCLTs sanctioning the Scheme being filed with the ROC;

10.1.3. Satisfaction (or waiver in writing) of such other conditions precedent as mutually agreed between the Parties in writing; and

10.1.4. Final approval being granted by IRDAI in accordance with Regulation 8 of the IRDAI Amalgamation Regulations and satisfaction of the conditions, if any, as set out in the final approval provided by IRDAI and which needs to be satisfied on or prior to the Effective Date in accordance with the terms thereunder.

10.2. Effective Date

Subject to fulfilment of the Conditions Precedent set forth in Clause 10.1, this Scheme shall become effective on such date as may be specified by the IRDAI in its final approval for this Scheme in terms of the IRDAI Amalgamation Regulations (“**Effective Date**”).

11. RESIDUAL PROVISIONS

The consent of the shareholders and creditors of each of the Parties to the Scheme in accordance with the Act, as applicable, shall be deemed to be sufficient for purposes of effecting all the actions set out in this Scheme and no additional actions of the Parties shall be separately required.

12. POWER TO REMOVE DIFFICULTIES

The authorised signatories of the Parties, either by themselves or through a committee appointed by them in this behalf, may as mutually agreed in writing, including without limitation through any definitive agreement(s) that may be entered into by and between the relevant Parties in relation to the Scheme:

(a) give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith,

or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those;

- (b) do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect; and
- (c) make any inclusions or exclusions (including without limitation in relation to assets or liabilities) to the Demerged Undertaking.

13. SEVERABILITY

If any part of this Scheme is found to be invalid, unenforceable or unworkable for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/or provisions of this Scheme.

14. WITHDRAWAL OF THE SCHEME

The Demerged Company and the Resulting Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the Boards of the Demerged Company and Resulting Company prior to the Effective Date. In such a case, the Demerged Company and the Resulting Company shall respectively bear their own cost or as may be mutually agreed.

15. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

15.1. With effect from the Appointed Date and up to and including the Effective Date:

15.1.1. the Demerged Company (with respect to the Demerged Undertaking) shall be deemed to have been carrying on and shall carry on its business and activities and shall hold and stand possessed of and hold all its properties and assets in relation to the Demerged Undertaking for and on account of and in trust for the Resulting Company;

15.1.2. all profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, securities transaction tax, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Resulting Company;

15.1.3. all loans raised and all Liabilities and obligations (including any Tax related liabilities) incurred by the Demerged Company with respect to the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company;

15.1.4. all assets and properties comprised in the Demerged Undertaking of the Demerged Company, which are acquired by the Demerged Company on or after the Appointed Date till the Effective Date in relation to and forming part of the Demerged Undertaking, shall be deemed to be and shall become the assets and properties of the Resulting Company by virtue of and in the manner provided in this Scheme and shall,

pursuant to the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Resulting Company or be deemed to be transferred to and vested in the Resulting Company; and

15.1.5. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business undertaken by the Demerged Company with respect to the Demerged Undertaking and to give effect to the Scheme.

16. INTERIM FUNDING FOR SOLVENCY REQUIREMENTS UNDER APPLICABLE LAW DURING IMPLEMENTATION PERIOD

- 16.1. At any time during the Implementation Period, if the Demerged Company is required under Applicable Law to enhance its capital to meet the minimum regulatory requirements of solvency, the Promoters shall, subject to the following provisions of this Clause 16, procure that the Demerged Company applies to IRDAI (in a form reasonably acceptable to the Promoters and the Parties) seeking a dispensation from the requirement of maintaining the minimum regulatory solvency requirement until the Effective Date.
- 16.2. In case the aforesaid dispensation has not been granted by the IRDAI or it imposes any Onerous Conditions, the Promoters shall procure that the Demerged Company make an application for relaxation of limits to enable the Demerged Company to raise other forms of capital under the IRDAI (Other Forms of Capital) Regulations, 2015 (such infusion to be done by issue of non-convertible debentures and to a Person acceptable to the Promoters and the Resulting Company, both acting reasonably), and which capital will form a part of the Demerged Undertaking that will be transferred to Resulting Company as part of the Scheme. For the avoidance of doubt and subject to the foregoing, the entire head room available for the issuance of debentures (computed as per Insurance Laws) shall be utilized for funding solvency requirements.
- 16.3. In the event, either IRDAI rejects the application filed under Clause 16.2 above or the Demerged Company is unable to raise, or it is apparent that it cannot raise, further capital so that minimum regulatory solvency can be maintained within the time period prescribed under Applicable Laws, the Promoters and the Demerged Company shall explore the possibility of enhancing the Demerged Company's solvency capital through operational mechanisms such as realizing (partially or in full, as required) gains on the investment portfolio held by the Demerged Company.
- 16.4. In case enhancing solvency capital through such operational mechanisms is not possible, the Promoters and the Parties will work together in good faith for 15 (fifteen) days to arrive at a suitable mechanism to meet the minimum solvency requirements in a way that does not result in, or require, any of the following:
- 16.4.1. any revision or amendment to the swap ratio used for determining the Consideration Shares or a material change to the structure of the transactions contemplated under this Scheme;
 - 16.4.2. any adverse impact on the consideration that the Promoters are entitled to get through the Scheme or a change to the proportion in which the Consideration Shares are to be issued to the Promoters;

- 16.4.3. any change in the timelines to complete and give effect to the Scheme;
- 16.4.4. any change to the Scheme;
- 16.4.5. any regulatory approvals or any requirement to re-file or modify any application for regulatory approvals already submitted with any Governmental Authority (including the RBI, NCLT, SEBI, CCI and IRDAI);
- 16.4.6. any regulatory approval for the Resulting Company to pay, or a Promoter to receive, any amounts contributed by it under this Clause 16;
- 16.4.7. non-compliance of provisions of Section 2(19AA) of the IT Act; and
- 16.4.8. trigger of provisions of Section 79 of the IT Act.
- 16.5. If the Promoters and the Parties cannot agree in writing on a mechanism under Clause 16.4 above within the above mentioned 15 (fifteen) day period, the Promoters shall be entitled to raise the requisite funds from an affiliate of Bharti General Ventures Private Limited, domiciled in India (“**Indian Investor**” and such amounts being raised as equity from the Indian Investor being the “**Interim Funding Amount**”). The Resulting Company shall be liable to pay, within 30 (thirty) days of the Allotment Date, the Interim Funding Amount to the Indian Investor along with interest calculated at: the Fixed Deposit rate for 1 (one) year offered by State Bank of India as on the date of infusion of equity funds into the Demerged Company plus 75 (seventy five) basis points (together with the Interim Funding Amount, “**Interim Funding Compensation**”). For the avoidance of doubt the Resulting Company’s obligation to pay the Indian Investor shall only arise if the amount is infused in the Demerged Company in the form of equity.
- 16.6. It is clarified that any amounts envisaged in this Clause 16: (a) shall solely be limited to the extent of funds required to meet minimum solvency requirements under Applicable Laws; (b) shall not exceed INR 200,00,00,000 in aggregate (whether by infusion of debentures or equity (including share premium amounts)); and (c) shall be deployed in assets forming part of the Demerged Undertaking that gets transferred to the Resulting Company as part of the Scheme.
- 16.7. If the IRDAI (or any other relevant Government Authority) does not permit the Indian Investor to provide the Interim Funding Amount in accordance with Clause 16.5 of this Clause 16, then the Promoters and the Parties shall mutually discuss to find an alternate solution to be implemented on or prior to the expiry of 15 (fifteen) days from the date of receipt of the notice from the IRDAI (or any other relevant Government Authority) rejecting the Indian Investor to provide the Interim Funding Amount (“**Interim Funding Resolution Period**”).
- 16.8. It is clarified that the approval of the shareholders of the Parties to this Scheme shall be deemed to be their consent/approval also to the interim funding arrangement in this Clause 16 and the Parties shall not be required to seek separate consent/approval of their shareholders, as may be required under the applicable provisions of the Act and /or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and /or SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and/ or IRDAI Regulations.

17. **PROPERTY IN TRUST**

Notwithstanding anything contained in this Scheme and to the extent permissible under the

Applicable Law, after the Effective Date and until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom are transferred, vested, recorded, effected and/or perfected in the records of the Governmental Authority(ies), or regulatory bodies, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Governmental Authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval as the case may be in trust on behalf of the Resulting Company.

18. CONDUCT OF BUSINESS OF THE RESIDUAL UNDERTAKING OF THE DEMERGED COMPANY

- 18.1. The Residual Undertaking and all the assets, liabilities, rights, title, interest or obligations thereto shall continue to belong to and be vested in and be managed by the Demerged Company, and the Resulting Company shall have no right, claim or obligation in relation to the Residual Undertaking provided that, if after the Effective Date, any part of the (i) Demerged Undertaking is not transferred to the Resulting Company; and/or (ii) Residual Undertaking is inadvertently transferred to or held by the Resulting Company, such part of the Demerged Undertaking and/or Residual Undertaking (as the case may be) shall be dealt with in the manner agreed in writing between the Parties, subject to the provisions of the Scheme.
- 18.2. All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case pertaining to the Residual Undertaking shall be continued and enforced by or against the Demerged Company. The Resulting Company shall, unless otherwise agreed between the Demerged Company and the Resulting Company be, in no event be responsible or liable in relation to any such legal or other proceeding against the Demerged Company.

19. COSTS

- 19.1. All costs, charges, and expenses (including, but not limited to stamp duty, registration charges etc.) of in relation to or in connection with the Scheme and incidental to the completion of transactions contemplated under this Scheme, except those relating to Promoters, shall be borne and paid by the Demerged Company and the Resulting Company as may be mutually agreed between them in writing. All costs, charges and expenses relating to Promoters shall be borne by them.

20. COMPLIANCE WITH THE IRDAI AMALGAMATION REGULATIONS

- 20.1. This Scheme shall be implemented only after the final approval of IRDAI.
- 20.2. The Resulting Company shall ensure that available solvency margin of the Resulting Company after the Effective Date will not be lower than the required minimum regulatory level.
- 20.3. The Parties shall ensure that the Scheme is compliant with the Applicable Laws.

- 20.4. The Parties acknowledge that the Scheme is beneficial for and in the interest of the policyholders and is conducive to the orderly growth of the insurance sector.
- 20.5. Notwithstanding anything contrary contained in the Scheme, the Scheme shall be given effect to and shall stand appropriately modified to the extent required to ensure compliance with any requirements and conditions imposed by IRDAI while granting its in-principal approval to the proposed Scheme including Regulation 6 of IRDAI Amalgamation Regulations, provided that, the Scheme continues to remain compliant with the provisions of Section 2(19AA) of the IT Act.
- 20.6. On and from the Effective Date, the Scheme shall be binding on the Parties and also on all the shareholders, policyholders and other creditors and employees of each of the Parties, and on any other person having any right or liability in relation to any of the Parties.
- 20.7. The Resulting Company shall ensure that a notice, in a form mutually acceptable to the Demerged Company and the Resulting Company, is published in the newspapers about completion of the process (at least one national Daily and one vernacular, copies of which shall be filed with the IRDAI).