

CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY

MAX FINANCIAL SERVICES LIMITED (FORMERLY MAX INDIA LIMITED)

I. PREAMBLE

- 1.1 Corporate Social Responsibility has been an area of focus for Max Financial Services Limited (formerly Max India Limited) (“**Max**” or the “**Company**”) since inception. Max Group being in the “*Business of Life*”, there has been a conscious effort to make a difference in the lives of the less privileged. Max has made conscious efforts to make a difference in the lives of the less privileged.
- 1.2 The Companies Act brings an even greater emphasis on CSR with Rules that provide guidance on minimum CSR spend, reporting mechanism, review structure and reporting to the shareholders of the Company. A CSR Committee has been formed at the Board level to oversee CSR Activities of the Company.
- 1.3 Further to the above stated, the Board has approved this CSR Policy which has been formulated and proposed by the CSR Committee with an objective to outline its CSR focus areas, recommending the amount of CSR Expenditure, execution process, review & monitoring mechanism, and, reporting process to the Management and the Board of Directors of the Company.

II. PHILOSOPHY & OBJECTIVES

Max has its vision to build the most admired company through service excellence and SEWA BHAV. The Company’s mission is to bring about strong social relevance, and aims to be committed to social causes and relevance for its inclusive growth and to contribute to society by supporting causes on the health and well being platform.

III. DEFINITIONS AND INTERPRETATIONS

“**CSR**” means corporate social responsibility.

“**Companies Act**” shall mean the Indian Companies Act, 2013, along with amendments thereto.

“**CSR Activities**” shall mean the permissible CSR activities as per Schedule VII.

“**CSR Committee**” shall mean the CSR Committee of the Board instituted by the Company.

“**CSR Rules**” shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

“**CSR Expenditure**” shall mean the CSR expenditure proposed under this Policy and providing the corpus amount in furtherance of this Policy.

“**Estimated CSR Expenditure**” shall mean the actual estimate of the CSR Expenditure for each year as has been approved for each year.

“**Max CSR Policy**” or “**CSR Policy**” shall mean this CSR Policy of the Company.

“**Max CSR Activities**” shall mean the services rendered in the Max CSR Identified Sectors.

“**Max CSR Identified Sectors**” mean the following sectors, as have been identified under this CSR Policy, (i) Health & Hygiene, (ii) Education, (iii) Nutrition, and, (iv) Livelihood.

“**Max Group**” shall mean the Company, its subsidiaries and other group companies.

“**Max India Foundation**” means the registered not-for-profit Trust, founded by the Company as its Founder / Settlor on January 31, 2002.

“**Primary and Secondary Education**” shall mean the primary and secondary education system, as is recognised in India.

“**Proposed Implementation Plan**” shall mean the annual proposed implementation plan in respect of the Max CSR Activities to be provided each year.

“**Quarter**” shall mean an annual quarter for each Financial Year.

“**Rules**” shall mean the rules prescribed under the Companies Act, as amended from time to time.

“**Schedule VII**” shall mean the schedule VII under the Companies Act.

IV. CSR IDENTIFIED SECTORS AND CSR ACTIVITIES

Max shall undertake Max CSR Activities in all or any of the CSR Activities as the Companies Act, however, it shall give primary importance to the Max CSR Identified Sectors, as follows.

4.1 Health & Hygiene

- a. Supporting and facilitating surgery and high end treatment.
- b. Preventive healthcare to underprivileged in identified geographies
- c. Personal hygiene training in those villages which have been identified by the Company and in those locations where Health and Immunization camps are organized by the Company
- d. Environmental hygiene awareness in and around the areas of operations of the Company

4.2 Education (exclusively for the selected Village / Grams / any other geographical clusters selected for development project)

- a. Augment Primary and Secondary Education through remedial education support
- b. Bridging Digital Divide
- c. Financial Literacy to create awareness about financial planning

4.3 Nutrition

- a. Vitamin (0-5 years), other health supplements and food supplements for underprivileged women and children

4.4 Livelihood

- a. Vocational training and creating & supporting Self Help Groups for single women led households in villages identified for adoption by the Company. The vocations for which training will be provided will be identified basis the inherent skill sets and commercial opportunities for those vocations in and around the village

V. MODALITIES OF EXECUTION AND IMPLEMENTATION SCHEDULES

5.1 **Independent Implementing Agency:** The Company shall work with Max India Foundation or any other NGO identified from time to time as its independent implementation partners for execution of the Max CSR Activities

5.2 **NGO Support:** Max India Foundation will execute projects with the help of NGOs and employee engagement. Max India Foundation may seek the support of NGOs who are working on ground on issues decided upon. Max India Foundation will also provide training support to volunteers to carry out / support in CSR activities.

5.3 **Modality of Execution of Max CSR Activities:** The Company shall execute and undertake the Max CSR Activities as follows:

5.3.1. Healthcare which will cover pan-India immunization, surgeries and treatments, health camps, medicinal support, health awareness, environmental awareness, support for artificial limbs & polio callipers and other disability.

5.3.2 Village Adoption in which the Company will focus on:

- i) Children related issues in the areas of health, education and nutrition (education being an integral part of holistic well being, will be addressed only in the village adoption initiative, not in any other geography)
- ii) Single women led households to create self sustenance
- iii) Health and Hygiene in the village and
- iv) Spreading awareness about a healthy environment.

5.4 **Geographical Areas for Max CSR Activities:**

1. **Health & Hygiene:** In areas as may be identified by Max India Foundation.
2. **Nutrition:** For underprivileged children in selected areas of MIF operations.
3. **Education and Livelihood:** Only in the village adopted by Max India Foundation; in locations identified by the Company from time to time

5.5 **Beneficiaries for the Max CSR Activities:**

1. Children (0-18 years)
2. Women – Particularly, those who are running households alone
3. Senior citizens
4. Others – society at large

VI. CSR FUNDING AND CSR EXPENDITURE

6.1 **CSR Budget:** In order to ensure funding for the Max CSR Activities, Max shall allocate atleast 2% (two per cent) of the average net profits made by the Company in its immediately preceding three financial years.

- 6.2 **CSR Expenditure Funds:** The CSR Committee will present the Proposed Implementation Plan to the Board, detailing the action steps, modalities and the Estimated CSR Expenditure to the Company, for the Board's approval. The CSR Committee shall prepare the Proposed Implementation Plan together with Max India Foundation
- 6.3 **Implementation Plan.** The Board shall approve the Final Implementation Plan and the CSR Expenditure Funds shall be allocated for implementation by Max India Foundation.
- 6.4 **Declaration.** The Company hereby declares that any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

VII. Monitoring Process of CSR Activities

- 7.1 **Reporting to CSR Committee.** Max India Foundation and other NGOs, the Company may decide to work with from time to time, shall provide a detailed progress report on the Key Performance Indicators to the CSR Committee every Quarter, or, at such intervals and at such times as the CSR Committee shall require Max India Foundation and other NGOs to do so. The progress on CSR issues selected by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules.
- 7.2 **Reporting to the Board.** The CSR Committee, after approval, shall submit the its report giving status of the CSR Activities undertaken, CSR Expenditure incurred and such other details as may be required by the Board, in accordance with applicable laws.
- 7.3 **Key Performance Indicators:** Following shall be the key indicators for assessment of each of the Max CSR Identified Sectors:

Issues	Key Performance Indicators
Healthcare	
Surgeries and treatments including Cancer	i) No of children benefitted ii) No of women benefitted iii) Total no. of beneficiaries
Preventive Healthcare	
Immunization	i) No. of children covered ii) No. of vaccines administered iii) No. of locations covered

Issues	Key Performance Indicators
Health Camps	i) No. of beneficiaries ii) No. of locations covered iii) No. of people provided immediate solutions / referred for further treatment.
Personal Hygiene & Environment Hygiene	i) No. of children and adults trained ii) Creation of garbage dumps / cleaning of open drains iii) Reduction / removal of open defecation practices
Education	
Primary & Secondary Education	i) No. of registered children and their attendance percentage ii) No. of drop-outs – boys and girls iii) Percentage of days when teacher was not available
Bridging Digital Divide	i) No. of children enrolled in computer literacy programme. ii) Proficiency in computer knowledge (certification)
Financial Literacy	i) %age of adults (20-60 years) covered
Nutrition	
Vitamin A	i) No. of children (0-5 years) given vitamin A capsules.
Other supplements	ii) No. of women and children provided with other supplements
Livelihood	
Vocational training	i) No. of women registered for vocational training ii) Self – sufficient women in year 3 and year 5
Self Help Group	i) No. of Self Help Groups of women created ii) Earnings of Self Help Groups
Miscellaneous	
	i) Any other parameters as the CSR Committee may require

7.4 Board Report and Annual Report. The Board shall publish this Policy and an annual report on CSR Activities as per applicable laws.