

**NOTICE OF 21st EXTRA ORDINARY GENERAL MEETING (“EGM”) OF THE MEMBERS OF
MAGMA HDI GENERAL INSURANCE COMPANY LIMITED**

To all the Members of the Company

Notice is hereby given that, *subject to the consent of the shareholders*, the 21st Extra Ordinary General Meeting (“EGM”) of the Members of **Magma HDI General Insurance Company Limited (“the Company”)** will be held *at shorter notice* on Friday, June 28, 2024 at 2:30 p.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 03/2022 dated May 05, 2022 which is in continuation of General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 20/2021 dated December 08, 2021 and General Circular No. 09/2023 dated September 25, 2023 (collectively referred to as “MCA Circulars”) respectively to transact the following business:

SPECIAL BUSINESS

1. Amendments to Magma HDI Employee Stock Option Plan, 2018

To consider and if thought fit, to pass, with or without modifications(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 (“the Act”) read with applicable rules of the Companies (Share Capital and Debentures) Rules, 2014 (“Companies Rules”), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time (hereinafter “SEBI SBEB Regulations”), the Insurance Act, 1938 read with the IRDAI (Corporate Governance for Insurers) Regulations, 2024 read with Master Circular on Corporate Governance for Insurers, 2024, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Memorandum of Association and the Articles of Association of Magma HDI General Insurance Company Limited (“the Company”), and such other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred herein as the “Applicable Laws”), in accordance with the terms of Magma HDI Employee Stock Option Plan, 2018 (“2018 Plan”), and pursuant to the approval of the Board of Directors of the Company (hereinafter referred to as the “Board”), consent of the Members of the Company be and is hereby accorded to increase in Employee Stock Option Pool from 71,90,000 (Seventy One Lakhs and Ninety Thousand) to 1,06,90,000 (One Crore Six Lakhs Ninety Thousand) Stock Options by allocation of additional 35,00,000 Stock Options, with each such option conferring a right to apply for 1 (one) share of the Company, in accordance with the terms and conditions of the ESOP Plan 2018.

RESOLVED FURTHER THAT all the other terms and conditions of the 2018 Plan, except as set out in the explanatory statement, shall remain unchanged.

RESOLVED FURTHER THAT the draft amendments to ESOP Plan 2018 are not prejudicial to the interests of the existing option holders of the Company.

RESOLVED FURTHER THAT in accordance with the provisions contained in Section 62 and Section 67 read with Rule 12 and 16 of the Companies (Share Capital and Debentures) Rules, 2014 (“Companies Rules”) respectively and all other applicable provisions of the Act, the provisions of the Articles of Association of the Company, provisions of the SEBI SBEB Regulations as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members be and is hereby accorded, for the transfer of 35,00,000 (Thirty five lakhs) Employee Stock Options, through Magma HDI General Insurance Company ESOP Trust (herein after referred to as “Trust”), at any time, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the 2018 Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT in accordance with the provisions contained in Section 62 and Section 67 read with Rule 12 and 16 of the Companies (Share Capital and Debentures) Rules, 2014 (“Companies Rules”) respectively and all other applicable provisions, of the Act, the provisions of the Articles of Association of the Company, provisions of the SEBI SBEB Regulations as amended from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Members be and is hereby accorded for the allotment/transfer at any time, of 35,00,000 (Thirty five lakhs) Equity Shares of Rs. 10/- each, upon exercise of the Employee Stock Options, at such price, in one or more tranches and on such terms and conditions and upon meeting of such vesting criteria as may be fixed or determined by the Compensation Committee in its sole and exclusive discretion.

RESOLVED FURTHER THAT the Company shall continue to conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations as well as the Accounting Standards and any other applicable laws and regulations to the extent relevant and applicable to the 2018 Plan.

RESOLVED FURTHER THAT the equity shares shall be allotted in accordance with the ESOP Plan 2018, in a manner permissible under the SEBI SBEB & SE Regulations.

RESOLVED FURTHER THAT the 2018 Plan be administered by the Compensation Committee of the Board/Trust, which is hereby empowered to determine in its absolute discretion the terms governing the 2018 Plan including any variation thereof in accordance with Companies Act, 2013 (including rules framed thereunder) SEBI SBEB Regulations including but not limited to determination of number of Employee Stock Options, quantum, time of grant, vesting criteria, vesting schedule, eligibility, exercise price, framing other relevant and appropriate procedure for grant, vesting etc. of the Employee Stock Options, etc., subject however to the overall superintendence and control of the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, any Director or Chief Financial Officer or Chief Compliance Officer or Company Secretary Board be and is hereby severally authorized, on behalf of the Company, to do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable.

RESOLVED FURTHER THAT any Director or Chief Compliance Officer or Company Secretary of the Company be and is hereby authorised to certify a copy of this resolution and issue the same to all concerned parties.”

Place: Mumbai
Date: June 28, 2024

By Order of the Board of Directors
For **Magma HDI General Insurance Company Limited**

Sd/-

Registered Office
Development House
24, Park Street,
Kolkata – 700 016

Sweta Bharucha
Company Secretary
Membership No. A22946

NOTES:

1. The Ministry of Corporate Affairs (“MCA”), has vide its circular dated April 08, 2020 read with circulars dated April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, and General Circular No. 09/2023 dated September 25, 2023 (collectively referred to as “MCA Circulars”), permitted the Companies to conduct their Extra Ordinary General Meeting through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of the Members at a common venue, subject to the fulfilment of conditions as specified in the MCA Circulars. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the EGM of the Company is being held through VC / OAVM. The place of this meeting shall deem to be the Head office of the Company at Unit No. 1B & 2B, 2nd floor, Equinox Business Park, Tower – 3, LBS Marg, Kurla (West), Mumbai – 400 070.
2. The Statement pursuant to Section 102 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, with respect to Special Business set out in the Notice is annexed hereto and forms part of the notice.
3. In compliance with the aforesaid MCA Circulars, the notice for EGM shall be given only through email registered with the Company or with the depository participant / depository. Members may note that the Notice will also be available on the Company’s website at www.magmahdi.com
4. The Members can attend the meeting through VC from their laptop/mobile. Members are requested to follow the steps mentioned in the file named ‘**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM THROUGH VC**’ which is enclosed with the Notice of the EGM and shall also be attached separately on the e-mail, with the Notice of the EGM.
5. The Company shall provide VC facility via **ZOOM VIDEO COMMUNICATIONS (“Zoom”)** in order to make it convenient for the Members to attend the Meeting. Members are required to use the following link or details to join the meeting through VC facility of Zoom:

Zoom Meeting Link	https://zoom.us/j/98157447467?pwd=U8w4xBLXIaokEmcNJ75mxptOfYiXUP.1
Meeting ID	981 5744 7467
Password	014289

6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this EGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the EGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Corporate Members are requested to send a duly certified scanned copy (PDF/JPG Format) of the Board Resolution/Power of Attorney authorizing their representative(s) pursuant to Section 113 of the Companies Act, 2013 to attend and vote on their behalf at the EGM through email to companysecretary@magma-hdi.co.in

8. The Members desiring to inspect the relevant documents referred to in the accompanying notice and other statutory registers are required to send requests on the Company Secretary's email address companysecretary@magma-hdi.co.in. An extract of such documents would be sent to the members on their registered email address. The same will also be made available for inspection by the members at the Meeting in electronic mode.
9. Members seeking any information with regard to the matters to be placed at the EGM, are requested to write to the Company Secretary at companysecretary@magma-hdi.co.in. The same shall be taken up in EGM and replied by the Company suitably.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the EGM.
11. Members attending the EGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. Since the EGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

Place: Mumbai
Date: June 28, 2024

By Order of the Board of Directors
For **Magma HDI General Insurance Company Limited**

Sd/-

Registered Office
Development House
24, Park Street,
Kolkata – 700 016

Sweta Bharucha
Company Secretary
Membership No. A22946

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 1

The Company has Employee Stock Option Plan 2018 (“2018 Plan”) in place with the following objectives:

- a) To drive long term performance and retention of talent;
- b) To align returns to shareholders and employees;
- c) To remain competitive with market in terms of wealth creation opportunity;
- d) To balance grant size, dilution, coverage and P&L impact; and
- e) To be simple to understand and administer.

Initially, a pool of 45,00,000 Stock Options was created which was further enhanced to 71,90,000 Stock Options with the approval of the Board of Directors and Shareholders of the Company in its meetings held on January 11, 2024, and January 16, 2024 respectively.

As a part of retention mechanism for top talent at senior and leadership levels and based on the recommendations of the Nomination and Remuneration Committee (“**Compensation Committee**”), approval of the Board of Directors (“**Board**”) and subject to approval of the Shareholders, it is proposed to amend 2018 Plan adopted by Magma HDI General Insurance Company Limited (“**Company**”).

The Resolution contained at Item no. 1 seeks to obtain the Shareholders’ approval to authorize the Compensation Committee and/or the Board to amend the 2018 Plan and do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to this amendment.

A statement of disclosure as required under Section 62(1)(b) of the Companies Act, 2013 (“Act”) read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 (“Rules”) as amended from time to time are as under:

Sr. No.	Particulars	2018 Plan
1.	Variation of terms of the 2018 Plan	It is proposed to increase the Employee Stock Option pool from 71,90,000 (Seventy-One Lakhs and Ninety Thousand) to 1,06,90,000 (One Crore Six Lakhs Ninety Thousand) Employee Stock Options, with each such Option conferring a right to apply for 1 (one) share of the Company, in accordance with the terms and conditions of the 2018 Plan.
2.	Rationale of the variation of the 2018 Plan	(a) The amendments are proposed to increase the size of the Employee Stock Option pool under the 2018 Plan. (b) The proposed amendments are not detrimental/ prejudicial to the interest of the Employee Stock Option holders.

3.	Details of the employees who are beneficiaries of such variation	The beneficiaries of such variation are all the current and future Employee Stock Option holders under the 2018 Plan.
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Pursuant to Regulation 6(2) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (“SEBI SBEB & SE Regulations”) the following are, inter-alia, the broad terms and conditions of the Scheme:

Items	Particulars
Brief description of the scheme(s)	The Employee Stock Options scheme was implemented in 2018 as a long-term incentive plan for Senior members of the Company, with the underlying intent to motivate employees to stay invested in the Company.
Total No. of Stock Options to be granted	10,690,000 (options granted till date 6,772,788)
Identification of classes of employees entitled to participate in the Plan	Such person(s) who are in employment of the Company, and satisfy the definition of ‘employee’ under Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 or any such group of employee(s), above a particular level, as per internal ranking procedure of the Company, in accordance with the Plan, including employee directors of the Company, viz., whole-time directors etc. (hereinafter “employees/employee directors”).
Requirements of vesting and period of Vesting of the Employee Stock Options may commence after the vesting and maximum period	Vesting of the Employee Stock Options may commence after the expiry of a minimum period of 12 months from the date on which the options were granted and may extend up to such time as may be decided at the discretion of the Committee/Trust from the date of grant. The vesting may occur in tranches and shall be subject to such terms and conditions of vesting, as may be stipulated by the Committee/Trust, in its discretion.
Exercise Price or pricing formula	The Exercise Price of the Stock Options shall be linked to the fair market value of equity shares of the Company at the time of grant of the Stock Option, as determined under the Plan or determined by the Committee.
Exercise period/offer period and process of exercise/acceptance of offer	Exercise Period shall be the time period after vesting within which the Employees/Employee

	Directors should exercise his right to apply for the Equity Shares against the Employee Stock Options vested in them pursuant to the Plan. The Exercise Period shall be decided by the Committee/Trust and will not be more than 4 (four) years from the date of vesting. The Stock Options will be exercisable by the Employees/ Employee Directors by a written or electronic notice to the Company and payment of exercise price to exercise the Employee Stock Options, in such manner, as may be prescribed by the Committee/Trust, in its discretion.
Appraisal process for determining the eligibility of employees for the scheme(s);	The Committee/Trust shall, based upon the performance and/or merit of the Employees/Employee Directors, as per vesting criteria laid down by the Committee/Trust from time to time, in its sole and exclusive discretion, considering the period of service/directorship put in/served by them, their designation and grade, their present and potential contribution to the success of the Company and other appropriate criteria, determine the eligibility of the Employees/Employee Directors to the Plan.
Maximum number of Stock Options to be issued per employee and in aggregate	The Committee/Trust may from time to time grant Employee Stock Options to one or more Employees/Employee Directors, subject to maximum number of Employee Stock Options granted shall not exceed 1% of the paid-up equity share capital of the Company during any financial year.
Whether the scheme(s) is to be implemented and administered directly by the company or through a trust	The ESOP Trust has been set up by the Company for implementation, administration, financing and holding the Shares in accordance with the terms and conditions of this Plan.
Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both	The Trust shall make available the Shares under the Plan to the Eligible Employees, by either requesting the Company to make an issue of Shares pursuant to the provisions of section 62(1)(b) of the Companies Act, 2013 or acquiring the Shares from the principal shareholders

The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;	Company has to provide loan to the Trust for purchasing the shares from the principal shareholders at the time of grant of shares under the Plan
Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);	Not Applicable
Statement to the effect that the company shall conform to the accounting policies specified in regulation 15	The Company shall continue to conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations as well as the Accounting Standards and any other applicable laws and regulations to the extent relevant and applicable to the 2018 Plan.
Method which the company shall use to value its options or SARs	Black Scholes valuation method is used for calculating the value of Options
The following statement, if applicable: In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report'	Not Applicable
Period of lock-in	Not Applicable
Terms & conditions for buyback, if any, of specified securities covered under these regulations	Not Applicable

The Board of Directors of the Company at their meeting held on June 28, 2024, reviewed and recommended the above proposal for the consideration and approval of the shareholders of the Company.

The Board of Directors recommends the Resolution proposed at Item No. 1 of this Notice for your approval by way of Special Resolution.

None of Directors or Key Managerial Personnel (as defined under the Act) and their immediate relatives is concerned or interested, financially or otherwise, except to the extent that the Employee Stock Options that may be granted to them pursuant to the 2018 Plan, in accordance with applicable law.

Place: Mumbai

Date: June 28, 2024

By Order of the Board of Directors
For **Magma HDI General Insurance Company Limited**

Sd/-

Registered Office
Development House
24, Park Street,
Kolkata – 700 016

Sweta Bharucha
Company Secretary
Membership No. A22946

Instructions for participating in the 21st Extra Ordinary General Meeting of the Members of Magma HDI General Insurance Company Limited, to be held at shorter notice on June 28, 2024 at 2:30 P.M. through Video Conference, by using Zoom Meeting Application

Instructions for participating the aforesaid EGM through Video Conference:

Step 1

Download the Zoom Meeting Application in your Mobile or Laptop. You may use this link to download the application [<https://zoom.us/>].

Step 2

Click on “Sign up”

Step 3

For verification, please enter your “Date of Birth”

Step 4

Please enter “Your email”, “First Name” and “Last Name” and click on “I agree to the Terms of Service”

Step 5

Now go to your registered email provided, check Inbox for the registration email and click on the “Activate Account”

Step 6

Go to your Zoom Application, click on the “Join” and enter the Meeting Id and password and now click on the “Join Meeting” Tab and ensure that you have proper internet facility through Mobile phone or Wi-Fi connected to your device.

Other instructions:

1. Please note that, if you have already downloaded /using Zoom Application, then you need not to do the aforesaid activities and you have to just enter the Zoom Meeting Id and Password, as provided in this Notice.
2. You can sign-in/join the meeting before 15 minutes on the meeting day for timely participation in the EGM through video conference. Further, any member may join the meeting within 15 minutes from the commencement of the meeting.
3. Please listen and participate in the discussion carefully.
4. **Please Propose and Second any of the Resolution by raising your hand/ Show of hands and by saying “I Propose the Resolution” or “I Second the Resolution” whenever it is asked by the Company Secretary.**
5. Please click on the “Mute” tab, when there is any disturbance or noise around you or not talking.
6. *Please ensure that, no other person is sitting with you /participating in the aforesaid Meeting through Video Conference.*
7. Please click on “Unmute” tab when you want to say something.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
9. In case of multiple votes on the same resolution, the first one shall be counted for the purpose

of counting Votes.

10. In case of any assistance before or during the video conference as aforesaid, you can contact the Company Secretary, Ms. Sweta Bharucha, at companysecretary@magma-hdi.co.in
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