

September 06, 2020

Asst. Vice President, Listing Deptt.,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot C-1, Block G,
BandraKurla Complex,
Bandra (E),
MUMBAI - 400 051
Scrip Code: MAXHEALTH

The Secretary,
BSE Limited
25th Floor,
PhirozeJeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001
Scrip Code: 543220

Sub: Intimation pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")

Dear Sirs,

We would like to inform the stock exchanges that the Board of Directors of Max Healthcare Institute Limited ("**Company**"), have considered and approved the following matters today i.e. September 6, 2020, subject to the approval of members of the Company with the requisite majority, required under the SEBI LODR:

1. Execution of the Letter Amendment Agreement to the Shareholders' Agreement dated December 24, 2018 executed amongst Mr. Abhay Soi and Kayak Investments Holding Pte. Ltd. and in respect of which the Deed of Adherence has been executed by the Company on June 1, 2020 ("**Amendment Agreement**");
2. Amendment to the Articles of Association of the Company pursuant to the Amendment Agreement becoming effective; and
3. Partial modification of the resolution passed by the board of directors of the Company in their meeting held on September 01, 2020 approving the notice of the ensuing Annual General Meeting of the Company scheduled to be held on September 29, 2020, in respect of approvals required for items (1) and (2) above.

The material changes to the Articles are set out in **Annexure A** below.

A copy of the notice of the ensuing AGM along with the Annual Report of the Company for the financial year ended March 31, 2020 are being sent separately in accordance with the SEBI LODR.

You are requested to take note of the above.

Thanking you,

For Max Healthcare Institute Limited

Ruchi Mahajan
Company Secretary & Compliance office
Membership No. FCS5671
6th Floor, Tower-A, DLF Centre Court, DLF City Phase-V,
Sector-42, Golf Course Road, Gurugram - 122002

Annexure A

The following changes have been made the Part II of the Articles of Association of the Company (“**Part II AOA**”):

- a) The following new definitions shall be added to the Part II AOA:

“Accounting Firm” means any of the Indian Affiliates or associates of:

- (a) Deloitte Touche Tohmatsu;
- (b) KPMG;
- (c) Price Waterhouse Coopers;
- (d) EY (formerly, Ernst & Young);
- (e) Grant Thornton; or
- (f) BDO Global;

“Call Option Transfer Date” means the earlier of (i) September 6, 2021 or (ii) such other date post April 1, 2021 if transfer of the Realised Benefits Incentive as mentioned in Article 7.1 of these Articles on such other date, does not violate applicable foreign exchange and securities Laws of India;

“EBITDA” means earnings before interest, tax, depreciation and amortization of the MHIL Entities, on an aggregate basis;

“Initiatives” means specific actions and programs with respect to the MHIL Entities that are launched / initiated in their entirety between April 1, 2019 and March 31, 2020, for increasing the Gross Margin and/or to reduce the Costs and Expenses of the MHIL Entities for such period;

“Gross Margin” means the difference between the consolidated revenues earned by the MHIL Entities less the direct Costs and Expenses of the MHIL Entities attributable to such revenues;

“MHIL Entities” means the MHC Network;

“Personnel Costs” means salaries and wages of full-time employees who are on the payroll of MHIL Entities and Radiant Hospitals;

“Realised Benefits” means the amount by which the EBITDA of the MHIL Entities increase during the period between April 01, 2019 and March 31, 2020, solely on account of any of the Initiative(s);

- b) The definition of “**Costs and Expenses**” shall be deleted and replaced as follows:

“Costs and Expenses” means all the costs and expenses in relation to the MHIL Entities, other than depreciation, amortization and interest expenses;

- c) The definition of “**FY 21 Consolidated Management Accounts**” shall be deleted and replaced as follows:

“FY 21 Consolidated Management Accounts” means the combined Financial Statements of the MHIL Entities for the Financial Year ending on March 31, 2021 and combined Financial Statements for this purpose would mean the aggregation of (i) Financial Statements of Radiant Hospitals and (ii) consolidated Financial Statements of MHIL Entities, after eliminating any impact of any inter-se transactions between Radiant Hospitals and MHIL Entities.

- d) The definition of “**Shareholders’ Agreement**” shall be deleted and replaced as follows:
“**Shareholders’ Agreement**” means the shareholders’ agreement of December 24, 2018, entered into between the Investor and the Promoter as amended from time to time and acceded to by the Company by executing the deed of accession and adherence dated June 1, 2020;
- e) The definitions of “Cost Saving Threshold”, “Consolidated Historical Accounts”, “FY 19 Consolidated Management Accounts”, and “FY 21 Period” shall be deleted from the Part II AOA.
- f) Article 7.1 of the Part II AOA shall be deleted and replaced with the following:

“7.1. Realised Benefits Incentive:

- (a) *The Promoter has been and shall be responsible for introducing and implementing the Initiatives with respect to the MHIL Entities, such that the EBITDA of the MHIL Entities increases on account of such Initiatives.*
- (b) *The Parties agree that the Promoter’s right to receive the Realised Benefits Incentive (as defined below) shall be subject to:*
- (i) *The Realised Benefits aggregating to an amount equal to at least INR 140,00,00,000/- (Indian Rupees One Hundred and Forty Crores), the computation of which shall be confirmed by an Accounting Firm engaged by the Promoter in this regard. The Investor will have the right to review the computation of the Realised Benefits provided by the Promoter, and notify the Promoter whether the Investor agrees with such computation or not; and*
- (ii) *Personnel Costs determined from FY 21 Consolidated Management Accounts not exceeding INR 1,060 crores (Indian Rupees One Thousand and Sixty Crores).
(together the “**Promoter Incentive Conditions**”).*
- (c) *The Promoter has provided to the Investor the details of the Initiatives implemented by the Promoter and the computation of the Realised Benefits arising therefrom, as confirmed by an Accounting Firm (“**Realised Benefits Computation**”). The Investor has reviewed the Realised Benefits Computation provided to it by the Promoter and has accepted such computation. Accordingly, the Investor and the Promoter agree that the Promoter Incentive Condition set out in Article 7.1(b)(i) has been fulfilled and the Company acknowledges the fulfillment of the same.*
- (d) *On or after April 01, 2021, the Company shall notify the Performance Committee (supported by the conclusion of an Accounting Firm to be appointed by the Company in this regard), the quantum of Personnel Costs determined from the FY 21 Consolidated Management Accounts (the “**Residual Condition Computation**”). Within 30 (thirty) Business Days of the Performance Committee receiving the Residual Condition Computation from the Company, the Performance Committee shall notify the Promoter and the Investor in writing, the quantum of Personnel Costs determined as per the FY 21 Consolidated Management Accounts and whether the Promoter Incentive Condition set out in Article 7.1(b)(ii) has been fulfilled. The conclusion of the Performance Committee in this regard, shall be final and binding on the Parties.*

- (e) *Within 15 (fifteen) Business Days of the Performance Committee confirming that the Promoter Incentive Condition set out in Article 7.1(b)(ii) has been fulfilled, the Promoter shall have a right to require (by issuing a notice in this regard in writing) the Investor to transfer, on or after the Call Option Transfer Date, to the Promoter (or to an entity designated by him that is 100% owned and controlled by the Promoter) by way of an off-market transaction, such number of Shares as are equal to 1.50% (one point five zero per cent) of the number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) at the time of the proposed transfer of the Shares by the Investor to the Promoter (“**Realised Benefits Incentive**”) at such price as may be intimated by the Promoter, provided that such price shall be in compliance with the pricing guidelines prescribed under applicable foreign exchange and securities Laws of India. Provided that, the Investor may transfer the Realised Benefits Incentive to the Promoter (or to an entity designated by him that is 100% owned and controlled by the Promoter), on any date between (i) the date of intimation by the Promoter of his intent to acquire the Realised Benefits Incentive in the manner set out above; and (ii) September 6, 2021, if the Investor and the Promoter mutually agree to do so in writing.*
- (f) *It is clarified that in case the Share Capital (or the number of Shares) of the Company is expanded/ contracted between the Effective Date and the date of transfer of the Realised Benefits Incentive, the number of Shares to be transferred to the Promoter (as the Realised Benefits Incentive) shall be decreased/ increased (as applicable) pro-rata to take into account the change in the Share Capital (or the number of Shares) of the Company. Additionally, the principles on the basis which the number of Shares to be transferred as Realised Benefits Incentive shall be increased / decreased have been set out illustratively in Part A of Schedule 2 hereto.*
- Illustratively, Realised Benefits Incentive shall be computed as follows:*
- X (Realised Benefits Incentive in number of Shares) = $B * ((1 - (C/B)) * D)$*
- A = Number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) as on the Effective Date: i) as increased by the number of Shares of the Company issued pursuant to any bonus issue / stock split and as reduced by the number of Shares extinguished/ consolidated pursuant to any capital reduction / buy back / consolidation purely in the nature of balance sheet restructuring i.e. not involving any cash payments; and ii) as increased by the number of Shares of the Company subscribed to by the Investor/ its Affiliates on any subsequent primary issuance of Securities by the Company.*
- B = Number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) as on the date of transfer of the Realised Benefits Incentive*
- C = B-A*
- D = 1.50%”.*
- g) All references to the term ‘Cost Saving Incentive’ in the Part II AOA shall be replaced by the term ‘Realised Benefits Incentive’.