

**NOTICE IS HEREBY GIVEN THAT N EXTRAORDINARY GENERAL MEETING (04/2021-22) OF THE MEMBERS OF STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED (THE COMPANY) WILL BE HELD AT SHORTER NOTICE THROUGH VIDEO CONFERENCING ('VC') AND OTHER AUDIO VISUAL MEANS ('OAVM) ON MONDAY THE 4<sup>TH</sup> OCTOBER 2021 AT 11.30 A.M. TO TRANSACT THE FOLLOWING SPECIAL BUSINESS:**

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**SPECIAL BUSINESS:**

**Item No. 1**

**Adoption of amended Articles of Association**

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and the rules made thereunder, each as amended, and other applicable provisions, if any, and in order to align the articles of association of the Company (the “**Articles of Association**”) with the requirements of the stock exchanges where the Equity Shares of the Company are proposed to be listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the set of regulations contained in existing Articles of Association of the Company, as placed before the shareholders of the Company be and is hereby substituted with the amended set of regulations in the Articles of Association placed before the shareholders of the Company and the same be approved and be adopted as Articles of Association of the Company, in total exclusion and substitution of the existing regulations in Articles of Association.”

“**RESOLVED FURTHER THAT** any one Director of the Company and Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Tamil Nadu at Chennai.”

“**RESOLVED FURTHER THAT** any of the Directors and/or the Company Secretary is authorised to certify the true copy of the aforesaid resolutions.”

**Item No.2**

**Adoption of amended Star Health and Allied Insurance Company Limited Employee Stock Option Scheme 2019**

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

“**RESOLVED THAT**, pursuant to Section 62(1)(b) of the Companies Act, 2013 (the “**Act**”) and other applicable provisions, if any, of the Act, and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity)

Regulations, 2021 (“**SBEB & SE Regulations**”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other rules, regulations, circulars and guidelines as may be applicable and subject to such approvals, consents, permissions and approvals as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (“**the Board**”), which term shall include its duly empowered Committee(s) constituted/ to be constituted by it to exercise its powers including the powers conferred by this resolution), the approval of the Members be and is hereby accorded to the amendments to Star Health and Allied Insurance Company Limited Employees Stock Option Plan 2019 (“**ESOP Plan**”) as described in the Explanatory Statement.

“**RESOLVED FURTHER THAT**, it is hereby noted that the amendments to the ESOP Plan are being carried out to meet the regulatory requirement in terms of the SBEB & SE Regulations once the Company is listed. “

“**RESOLVED FURTHER THAT**, the Board be and is hereby authorized on behalf of the Company to make and carry out any modifications, changes, variations, alterations or revisions in the ESOP Plan or to suspend, withdraw or revive the ESOP Plan, in accordance with applicable laws prevailing from time to time, as it may deem fit, to give effect to this resolution.

“**RESOLVED FURTHER THAT** for the purpose of bringing into effect this resolution and generally for giving effect to this resolution, each member of the Board, the Head of the HR Department and Company Secretary be and are hereby jointly and severally authorized to do all such acts, deeds, matters 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 the above and to settle any question or difficulty that may arise in this regard in the best interest of the Company.”

“**RESOLVED FURTHER THAT** Company Secretary be and is hereby authorised to file necessary forms/returns in this regard with the Registrar of Companies or any other relevant authority.”

Place : Chennai.  
Date : 28-09-2021

By the Order of the Board



Jayashree Sethuraman  
Company Secretary  
PAN: DLIPS3826Q  
Membership No. A55099  
Address: No.1 New Tank St,  
Valluvarkottam High Road,  
Chennai-34.

**NOTES:**

- 1. In view of the Continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5,2020 read with circular dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of Extra Ordinary General Meeting (“EGM”) through video conferencing (‘VC’) and other audio visual means (‘OAVM’), without the physical presence of the Members at a common venue. 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*
- 2. 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 as permitted by the MCA and hence the Proxy Form and attendance Slip are not annexed to this Notice.*
- 3. Members attending the EGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.*
- 4. All communications including notice of Extra Ordinary General Meeting, Annual report etc will be sent to the registered emails.*
- 5. Since the EGM will be held through VC/ OAVM, Route Map is not annexed in this Notice*

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM THROUGH VIDEO CONFERENCING (‘VC’) AND OTHER AUDIO VISUAL MEANS (‘OAVM’) ARE AS UNDER:**

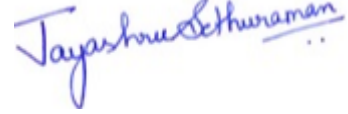
- 1. Members may attend the EGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the steps and provide the required details (mentioned above – Meeting Id/Password/Email Address) and Join the Meeting. Members are encouraged to join the Meeting through Laptops for better experience.*
- 2. In case of Android/ Iphone connection, Participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.*

3. Further Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting on Mobile App.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. The helpline numbers on any queries on how to join and participate in the meeting through the link provided is +91 9940355778/ 044 28288878. Members can also send their queries through email to [s.jayashree@starhealth.in](mailto:s.jayashree@starhealth.in)
6. Facility of joining the EGM through VC/ OAVM shall open 30 minutes before the time scheduled for the EGM and shall be open for fifteen minutes after the scheduled starting time of the EGM.
7. Members can send their queries on the matters relating to the EGM by emailing to [s.jayashree@starhealth.in](mailto:s.jayashree@starhealth.in) from their registered email IDs quoting their folio numbers or they can speak during the proceeding of the EGM with a two way communication facility. Queries will be addressed to the extent feasible on a first come first served basis by the Chairman or appropriate officials / Auditors as the case may be.
8. Representatives of institutional / corporate members or other authorities can send their authorisation through email to the email id of the company referred above giving the resolution / authority along with name and email ID of the representative. The representative can use the link for attending the meeting and speak at the meeting.
9. Voting by show of hands is permitted as advised by MCA and in case of demand for poll the members / representatives have to send emails to the designated email Id ([s.jayashree@starhealth.in](mailto:s.jayashree@starhealth.in) ) signifying their choice on voting in the affirmative or negative in respect of each resolution during the course of the meeting. E-votes will be counted during the meeting and results will be announced by the Chairman. In case it would take time to count the e-votes the meeting may be adjourned for announcing the results of the e-votes for all resolutions.

10. Any special business considered unavoidable by the Board can only be considered at the EGM.

Place : Chennai.  
Date : 28-09-2021

By the Order of the Board



Jayashree Sethuraman

Company Secretary

PAN: DLIPS3826Q

Membership No. A55099

Address: No.1 New Tank St,

Valluvarkottam High Road,

Chennai-34.

## EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.

### **Item No. 1**

In order to undertake the proposed initial public offering, the Company will be required to ensure that the articles of association of the Company (the “**Articles of Association**”) conform to the requirements prescribed by relevant stock exchanges prior to filing of the updated draft red herring prospectus with the Securities and Exchange Board of India and the relevant stock exchanges. The Company therefore proposes to adopt an amended set of new Regulations in the Articles of Association that shall conform to the requirements and directions provided by the stock exchanges and contain such other articles as required by a public limited company under applicable laws (including the Companies Act, 2013).

Copy of the existing Articles of Association and the proposed revised Articles of Association will be made available for inspection electronically and at the registered office of the Company during the working hours of the Company on any working day up to the date of the extraordinary general meeting.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, as applicable, any amendment in Article of Association requires approval of the members of the Company by way of a special resolution.

The Board recommends the resolution in Item No. 1 of the Notice for your approval as a special resolution.

None of the directors or key managerial personnel of the Company or the relatives of the aforementioned persons are interested in the said resolution.

### **Item No. 2**

Star Health and Allied Insurance Company Limited (“**Company**”) adopted the Star Health and Allied Insurance Company Limited Employees Stock Option Plan 2019 (“**ESOP Plan**”) which is being implemented by the Company.

Based on the approval of the Board of Directors (“**the Board**”) and Nomination and Remuneration Committee, and subject to the approval of the Members, it is proposed that the ESOP Plan be amended in order to comply with the regulatory requirements in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB & SE Regulations**”).

In view of above, approval of Members is sought by way of a Special Resolution for Item No. 2 of the accompanying Notice, for authorizing the Board to amend the ESOP 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 the amendment of the ESOP Plan.

A draft of the ESOP Plan with the proposed amendments shall be available for inspection through electronic mode, basis the request being sent on the designated email id.

Details of the key variations of the ESOP Plan are provided below:

## 1. Key Variations in the ESOP Plan:

It is proposed to include the following variations in the ESOP Plan:

Clause No.	Position under the ESOP Plan	Position under SBEB & SE Regulations
1.1	<p><b>Definition of employee</b></p> <p>The ESOP Plan defines Employee as the following:</p> <p>(a) permanent employee of the Company who has been working in India or out of India; or</p> <p>(b) a director of the Company, whether a whole time director or not but excluding an independent director; or</p> <p>(c) an employee as defined in sub-clauses (a) or (b) of a Subsidiary in India, or of a Holding Company of the Company,</p> <p>But does not include:</p> <p>(i) an employee who is a Promoter or a person belonging to the Promoter Group; or</p> <p>(ii) a director who either himself or through his Relative or through any body corporate, directly or indirectly, holds more</p>	<p>The definition of an employee, except in relation to sweat equity, has been revised under SBEB &amp; SE Regulations to include an employee as designated by the company, who is <b><u>exclusively</u></b> working in India or outside India. Further, the ambit of an employee has been expanded to <b><u>include employees of group companies, including associate companies.</u></b> Consequently, stock options can be granted to employees of group companies, including associate companies as well.</p> <p>The ESOP Plan is being revised to allow the grant of options to the employees of the associate and group company as well.</p>

Clause No.	Position under the ESOP Plan	Position under SBEB & SE Regulations
	than ten percent of the outstanding Equity Shares of the Company.	
1.1	<p><b>Exercise Price</b></p> <p>The exercise price under the ESOP Plan means “<i>price payable by the Employee for exercising the Options granted to him in pursuance of ESOP 2019 or any other price as may be determined by the Nomination &amp; Remuneration Committee on a case-to-case basis, , subject to a maximum of fair value as per Applicable Law on the date of Vesting of the Option.</i>”</p>	<p>While a company is free to determine the exercise price, the exercise price is required to be in compliance with the accounting standards provided under Regulation 15 of the SBEB &amp; SE Regulations.</p> <p>The ESOP Plan is being revised to provide that the exercise price under the ESOP Plan would be in compliance with the accounting standards specified under the SEBI SBEB &amp; SE Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.</p>
4.2	<p><b>Power of the compensation committee/ nomination and remuneration committee</b></p> <p>The compensation committee has been provided the authority to undertake various action in relation to the grant and exercise of options. Presently, the scope of authority provided is primarily in line with SEBI (Share Based Employee Benefits) Regulations, 2014.</p>	<p>Under Schedule 1, Part B of the SBEB &amp; SE Regulations, the committee is also required to lay down, <i>inter alia</i>:</p> <p>(a) the procedure for funding the exercise of options / SARs; and</p> <p>(b) the procedure for buy-back of specified securities issued under SBEB &amp; SE regulations, if to be undertaken at any time by the company, and the applicable terms and conditions, including: (i) permissible sources of financing for buy-back; (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and (iii) limits upon quantum of specified securities that the company may buy-</p>



Clause No.	Position under the ESOP Plan	Position under SBEB & SE Regulations
		back in a financial year.  Clause 4.2 of the ESOP Plan is being revised to provide the aforesaid power to the committee.
11.1	<p><b>Cliff period of 1 (one) year in case of death or permanent disability</b></p> <p>The ESOP Plan presently provides that “<i>Subject to Applicable Laws, Vesting of the Options granted under the ESOP 2019 shall be at least one year from the date of Grant and could be different for different Employees</i>”.</p>	<p>The cliff period of 1 (one) year is not applicable in case of death or permanent disability.</p> <p>The ESOP Plan is being revised to provide the aforesaid clarification.</p>
-	<p><b>Treatment of options in case of retirement</b></p> <p>The ESOP Plan presently does not provide for treatment of options in case of retirement.</p>	<p>In the event of retirement, the options granted to an employee which have not vested, will not expire, and continue to vest in accordance with their respective vesting schedules as per company’s policies.</p> <p>The ESOP Plan is being revised to account for the above requirement under the SBEB &amp; SE Regulations.</p>
15, and 26	<p><b>Modification of the plan</b></p> <p>Presently, the construct is that any amendment to the ESOP Plan would require both board and shareholders’ approval.</p>	<p>Companies can vary the terms of the scheme to meet any regulatory requirement without seeking shareholders’ approval under the SBEB &amp; SE Regulations.</p> <p>The ESOP Plan is being revised to account for the above requirement under the SBEB &amp; SE Regulations.</p>

Clause No.	Position under the ESOP Plan	Position under SBEB & SE Regulations
-	<p><b>Disclosures required</b></p> <p>Presently, the ESOP Plan does not provide for the disclosure requirement.</p>	<p>Companies are required to make disclosures in terms of Part G of Schedule I of the SEBI SBEB &amp; SE Regulations.</p> <p>The ESOP Plan is being revised to provide that the necessary disclosures will be made in terms of the SEBI SBEB &amp; SE Regulations, 2021 at the time of grant, including as provided in Part G of Schedule I of the SEBI SBEB &amp; SE Regulations.</p>

## 2. Rationale for the variation of the ESOP Plan:

- (a) The amendments, including those mentioned herein, are proposed to be undertaken in order to comply with the SEBI SBEB & SE Regulations on the listing of the Company, and make corresponding changes in the ESOP Plan.
- (b) The proposed amendments also contain certain editorial changes, and consistency changes.
- (c) The proposed amendments are not detrimental to the interests of the current option grantees of the Company.

## 3. Details of the employees who are beneficiaries of such variation:

All eligible employees to whom the options have been granted under the ESOP Plan.

## 4. **Disclosures under Rule 12 of Companies (Share Capital & Debenture) Rules, 2014, read with circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by SEBI.**

The purpose of the ESOP 2019 is to enable the Company to attract and retain talented human resources by offering them an opportunity to acquire a continuing equity interest in the Company which will reflect their efforts in building the growth and the profitability of the Company; and/or to provide existing Employees (as defined in the ESOP 2019) an opportunity for investment in the Company's equity interest in recognition of their efforts to grow and build the Company.

Sl. No.	Requirement	Disclosure
a.	The total number of options to be granted	2,40,05,326
b.	Identification of classes of employees entitled to participate in ESOP 2019	Present and future permanent employees including Managing Director or Whole time Directors of the Company including its Subsidiary Companies, as may be determined by the Nomination and Remuneration Committee from time to time subject to restrictions as may be applicable as per Law.
c.	The appraisal process for determining the eligibility of employees for the ESOP 2019	The process for determining the eligibility of the employees will be specified by the Nomination and Remuneration Committee and the will be based on the performance of an Employee as indicated by the annual performance appraisal, minimum period of service, the position and responsibilities of an Employee, the nature and value to the Company of his services and accomplishments, his present and potential contribution to the success of the Company, past service and geographical location and such other factors that the Committee may deem relevant
d.	The requirements of vesting and period of vesting	Vesting of the Options granted under the ESOP 2019 shall be at least one year from the date of Grant and could be different for different Employees.
e.	The maximum period within which the options shall be vested	The Nomination Remuneration Committee shall decide the maximum period within which the options shall be vested.
f.	The exercise price or the formula for arriving at the same	The Nomination Remuneration Committee shall decide the exercise price or the formula for arriving at the same subject to the exercise price not less than the Face Value.

Sl. No.	Requirement	Disclosure
g.	The exercise period and process of exercise	The exercise period and process will be as specified in ESOP 2019
h.	The Lock-in period, if any	Nil
i.	The maximum number of options to be granted per employee and in aggregate	The maximum number of options to be granted shall be decided by the Nomination and Remuneration Committee.
j.	The maximum quantum of benefits to be provided per employee	The maximum quantum of benefits to be provided per employee shall be decided by the Nomination and Remuneration Committee.
k.	ESOP 2019 involves new issue of shares by the Company or secondary acquisition by the trust or both	ESOP 2019 pertains to issuance of fresh equity shares by the Company.
l.	the method which the company shall use to value its options	As per applicable Accounting Standards.
m.	the conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct	The conditions under which the option shall lapse is as specified in ESOP 2019
n.	The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	The time period for exercise shall be determined by the Nomination and Remuneration Committee.

The Company shall comply with the applicable accounting standards as specified in regulation 15 of the SEBI ESOP Regulations. And Rule 12 (2)(m) of The Companies (Share Capital and Debentures) Rules, 2014.


Non-promoter Directors (other than the Independent Directors) and other Key Managerial Personnel of the Company and its subsidiary(ies), are deemed to be concerned or interested, to the extent of stock options granted/ to be granted pursuant to the ESOP Plan and to the extent of their shareholding in the Company, if any.

None of the other Directors of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 2 of the Notice for approval by the Members.

Place : Chennai.  
Date : 28-09-2021

By the Order of the Board



Jayashree Sethuraman

Company Secretary

PAN: DLIPS3826Q

Membership No. A55099

Address: No.1 New Tank St,

Valluvarkottam High Road,

Chennai-34.