

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
POLICY FOR PREVENTION OF INSIDER TRADING

1. PREAMBLE

In terms of SEBI (Prohibition of Insider Trading) Regulations 2015, the code provides for to prevent Insider Trading by prohibiting trading, communicating, counseling or procuring Unpublished Price Sensitive Information.

Insider trading is defined as an unethical practice resorted to by those in power and are privy to certain unpublished price sensitive information relating to a company to profit at the expense of the general investors who do not have access to such information.

The Policy for Prevention of Insider Trading (PPIT) shall apply to Board members, Senior Management Personnel and all other persons who have access to such Unpublished Price Sensitive Information.

2. DEFINITIONS

A. Compliance Officer means the Company Secretary of the Company for the purpose of this policy.

B. Connected Person means

- i. any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
 - (a). an immediate relative of connected persons specified in clause (i); or
 - (b). a holding company or associate company or subsidiary company; or
 - (c). an intermediary as specified in section 12 of the Securities and Exchange Board of India Act, 1992 or an employee or director thereof; or
 - (d). an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e). an official of a stock exchange or of clearing house or corporation; or
 - (f). a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g). a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or

(h). an official or an employee of a self-regulatory organization recognised or authorized by the Board; or

(i). a banker of the company; or

(j). a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

C. Designated Person” means

- a. Promoters of the Company
- b. Board of Directors of the Company.
- c. All Key Managerial Personnel(s) (“KMP”)
- d. All employees of Company who are in the cadre of two level below Chairman & Chief Executive Officer (“CEO”).
- e. Such employees in the Finance and Accounts/ Board & Secretarial /Investor Relations/Investment Department who have access to UPSI
- f. Personal assistants and other officers in the office of Chairman & CEO, Managing Directors and personal assistants to Senior Executive Directors (Designated).
- g. Immediate relative(s) of a person as described in ‘a’ to ‘f’ above.

D. “Generally available” information means information that is accessible to the public on a non-discriminatory basis.

E. Immediate Relative in relation to a designated person means spouse, dependent or not, and includes parent, sibling and child of that person or his or her spouse, if they are either dependent financially on such person or consult such person in taking decisions relating to trading in securities.

F. Insider means any person who is:

- (i) a connected person or
- (ii) in possession of or having access to Unpublished Price Sensitive Information

G. Key Managerial Personnel means-

- a. the Chief Executive Officer or the Managing Director or the Manager;
- b. the Whole Time Director;
- c. the Chief Financial Officer;
- d. the Company Secretary and
- e. Such other officer as may be prescribed under the Companies Act 2013 or IRDAI Corporate Governance Guidelines 2016 or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 .

H. Legitimate Purpose include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, investors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of this code of conduct.

- I. Securities** shall have the **meaning as** defined under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund.
- J. Trading** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly.
- K. Unpublished Price Sensitive Information (“UPSI”)** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –
- (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel.

Words and expressions used and not defined in this policy but defined in the Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in the said legislations.

3. DUTIES OF THE COMPLIANCE OFFICER:

The Compliance Officer shall be responsible for:

- a) Grant of pre-clearance approvals to the Designated Persons for trading in the Company’s Securities by them / their Immediate Relatives and monitoring of such trading;
- b) The Compliance Officer shall assist all the Designated Persons in addressing any clarifications regarding the Regulations and this Code of Conduct;
- c) Educate individuals and make them aware of the duties and responsibilities attached to the receipt of UPSI, and the liability in case of misuse or unwarranted use of such information or communication;
- d) The Compliance Officer shall close the trading window for such periods as he/she may deem fit in compliance with the provisions of this code;
- e) Maintenance of records as required under this Policy;
- f) Granting relaxation from strict application of contra trade restriction for reasons to be recorded in writing provided that such relaxation does not violate the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- g) Report all details of trading in securities by the Designated Persons including any violations of the Code of Conduct to the Audit Committee and the Board on quarterly basis.

4. PROHIBITION ON COMMUNICATING OR PROCURING UPSI:

- a) An Insider shall not – communicate, provide, or allow access to any UPSI, relating to the Company or its securities, to any person including other Insiders.
- b) No person shall procure from or cause the communication by an Insider of UPSI, relating to the Company or its securities;

Provided that nothing contained in (a) and (b) shall be applicable when an UPSI is communicated, provided, allowed access to or procured:

- i. in furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate confidentiality and non-disclosure agreements being executed (or)
- ii. in the event the Board of Directors direct or cause the public disclosure of UPSI in the best interest of the Company pursuant to appropriate confidentiality and non- disclosure agreements being executed;

5. PROHIBITION ON INSIDER TRADING:

An Insider shall not, directly or indirectly, –

- a. Trade in securities that are listed or proposed to be listed when in possession of UPSI;
- b. Trade in securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI.

Provided that the restriction shall not apply to:

- i. a transaction that is an off-market *inter-se* transfer between Insiders who were in possession of the same UPSI without being in breach of this Code of Conduct and both parties had made a conscious and informed trade decision;
- ii. transaction carried out through the block deal window mechanism between persons who were in possession of the UPSI without being in breach of regulation 3 of SEBI (Prohibition of Insider Trading) Regulations, 2015 and both parties had made a conscious and informed trade decision;
- iii. transaction is carried out in pursuant to a statutory or regulatory obligation to carry out a bona fide transaction;
- iv. the transaction undertaken is in pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations; and
- v. Trades pursuant to a Trading Plan set up in accordance with this Policy.

Provided that :

- a. unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of SEBI (Prohibition of Insider Trading) Regulations, 2015 for transactions undertaken in (i) and (ii) above.
- b. transactions under (i) above shall be reportable by the insiders to the Company within 2 working days.

6. TRADING WINDOW:

- a. The Compliance Officer shall notify a 'trading window' during which the Designated Persons may trade in the Company's securities after securing pre-clearance from the Compliance Officer in accordance with this policy;
- b. Designated Persons and their immediate relatives shall not trade in the Company's securities when the trading window is closed. However, eligible employees of the company may exercise employee stock options when the trading window is closed;
- c. The trading window shall be closed for all Insiders from the 1st day immediately following the relevant calendar quarter till the conclusion of 48 hours after disclosure of such quarterly/ annual financial results of the company to stock exchanges;
- d. Additionally, the trading window shall be closed in particular for a Designated Person or class of Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer;
- e. The timing for re-opening of the trading window after closure shall be determined by the Compliance Officer, which in any event shall not be earlier than 48 hours after the UPSI in question becomes generally available.
- f. The trading window restriction shall not apply for below cases;
 - i. off-market inter-se transfer between insiders who were in possession of the same UPSI without violating the policy and both parties had made a conscious and informed trade decision.
 - ii. transaction carried out through the block deal window mechanism between persons who were in possession of the UPSI without violating the policy and both parties had made a conscious and informed trade decision
 - iii. transaction carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
 - iv. transaction undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
 - v. trades executed as per the trading plan set up in accordance with the policy.
 - vi. pledge of shares for a bonafide purpose such as raising of funds, subject to preclearance by the compliance officer.
 - vii. transactions undertaken in accordance with respective regulations made by SEBI, such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buyback offer, open offer, delisting offer.

7. PRE-CLEARANCE OF TRADING:

- a. Pre-approval of trades is mandatory for Designated Persons for trading in securities by submitting an application as well as a declaration
- b. The Compliance Officer may after ascertaining the genuineness of purpose may approve

the trade which shall be executed within a period of 7 days from the date of such approval.

- c. Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan;
- d. In case of trade by the Compliance Officer, the Compliance Officer shall obtain pre-clearance of trade from the Managing Director/Executive Director of the Company;
- e. A trade completion certificate shall be filed with the designated persons to the Compliance officer within a period of 2 days.
- f. Prior approval would be required where the transactions in any one Financial Year carried out by the Designated person exceeds Rs.25 lakh or such sum as may be prescribed by the Board from time to time.
- g. No Designated Person shall do intra-day trading in the securities of the Company;
- h. In case of any contra trade executed by the Designated Person during the six months period from the original transaction, the profit from such transaction shall be remitted to the SEBI Investor Protection and Education Fund. Compliance officer may have discretion to waive such requirement on merits recorded in writing.

8. TRADING PLAN:

- a. Designated persons may submit a Trading Plan to the Compliance officer pursuant to which trades may be carried out. Such trading plan shall be in compliance with Regulation 5 of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- a. The Audit Committee shall review the compliance with the provisions of policy and shall verify that the systems for internal control are adequate and are operating effectively on an annual basis.
- b. The Company shall make aware its employees about the policy for leak of UPSI or suspected leak of UPSI, to enable them to report instances of leak of UPSI.

9. DISCLOSURES:

- a. Every promoter, member of the promoter group, designated person and director shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;
- b. The company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information
- c. The disclosures under (a) and (b) shall be made in such form and such manner as prescribed by SEBI from time to time.
- d. The Company may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form

and at such frequency as may be determined by the company in order to monitor compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015

10. PENAL PROVISIONS

The Company shall make aware its employees about the policy for leak of UPSI or suspected leak of UPSI, to enable them to report instances of leak of UPSI.

Any employee or Designated Person of the Company who violates this policy shall be subject to a warning letter in case of first violation but may be subject to monetary penalty of 25% of the profit earned in the transaction.

Such penalty shall be subject to approval of the Board of Directors of the Company.

The penalty amount collected shall be remitted to SEBI (Investors Education and Protection Fund)

11. REVIEW

The Board may review the policy as and when required.

12. PUBLICATION

The Policy shall be disclosed in the website of the Company. The name, address and contact number of the compliance officer shall be displayed appropriately.

13. EFFECTIVE DATE

The Policy shall come in to force from the date of listing of the securities of the Company in the recognized stock exchange/s.
