



Policy for Determination of Materiality Threshold for Disclosure of Events or Information

November 2022

This document is confidential and intended only for the internal use by Star Health and Allied Insurance Company Limited. The recipient(s) should ensure that this document is not reproduced or circulated to external entities in any form or means including electronic, mechanical, photocopying or otherwise without prior approval of the document owner or the primary recipients of this document. Should there be any conflict between the policy and the regulatory notifications, the latter shall prevail.

Policy for determination of Materiality
Threshold for disclosure of Events or Information

Key Policy Information:

Policy reference number	Policy Owner	Policy Approver	Creation date
SHAIC-PDOMT-DEI	Board & Secretarial	Board	May 23 2021

Summary - Version Control:

Version	Reviewed By	Approved By	Revision date	Reason for review
1.0	Board	Board	2020-21 / May 23 2021	Initial Policy
2.0	Board	Board	2022-23 / November 09 2022	Periodic Review

Table of Contents

1. Introduction	4
1.1. Background	4
1.2. Objective	4
1.3. Applicability	4
1.4. Review and approval of Policy	4
2. Policy Requirements	4
2.1. Policy Statement	4
2.2. Disclosures of events or information to Stock Exchanges	4
2.3. Guidance on when an event/information is deemed to have occurred	5
2.4. Key Managerial Personnel authorised for determining materiality	6
3. Compliance and reporting	6
4. Appendices	6
4.1. Definitions	6

1. Introduction

1.1. Background

This Policy is framed pursuant to the requirements under Regulation 30 read with Schedule III of LODR 2015 which requires every listed entity to frame a policy for determination of materiality of events and information that require appropriate disclosure to the stock exchanges. The events/information that would be disclosed would be as prescribed by SEBI vide circular CIR/CFD/CMD/4/2015 dated September 9, 2015 and as would be amended from time to time.

1.2. Objective

The Policy aims to help the Company achieve the following:

- a. Appropriately determine materiality on a case-to-case basis.
- b. Maintain uniformity in disclosure processes to ensure compliance in letter and spirit.
- c. Ensure timely and transparent disclosure of material information /events on an ongoing basis, to enable stakeholders to make informed decisions.

1.3. Applicability

The Policy will be applicable to all the events which fall under the criteria as disclosed under the section relating to "Disclosure of events or information to Stock Exchanges" and shall be read with the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (which is part of the Company's Insider Trading Policy) framed in adherence to the principles for fair disclosure as outlined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

1.4. Review and approval of Policy

The Board may review the Policy as and when required.

The Policy is effective from the date of listing of the securities of the Company in the recognized Stock Exchange/s and the revised versions come into effect from the date of approval of the Board.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy.

2. Policy Requirements

2.1. Policy Statement

Materiality has to be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event. This Policy seeks to provide guidance on determining such materiality.

2.2. Disclosures of events or information to Stock Exchanges

As per LODR 2015, the events or information required to be disclosed to the stock exchange(s) are as follows:

A. Events or Information which are mandatorily to be disclosed without any application of the test/guidelines of materiality

The Company shall disclose all events/ information which are specified in Para A of Part A of Schedule III of LODR 2015 (as amended from time to time), without any application of the test/guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR 2015.

B. Events which shall be disclosed upon application of the test/guidelines for materiality

The Company shall disclose all material events pertaining to matters specified in Para B of Part A of Schedule III of the LODR 2015, subject to application of guidelines for materiality.

The guidelines for determining materiality of the events/ information are as given below.

Qualitative Criteria

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of an event or information already available publicly; or
- b) the omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date;
- c) if the criteria specified above are not applicable, an event/information may be treated as being material if in the opinion of the Board the event / information is considered material.

Quantitative Criteria

Any event / information where the value involved / the impact:

- a) Exceeds 10% of the Gross Written premium of the previous financial year (based on the latest audited financial statements); or
- b) Exceeds 10% of the Net worth of the previous financial year (based on the latest audited financial statements)

whichever is lower

Only such impact that is direct, reasonably perceivable, not remote, quantifiable and has a short-term horizon of 1-2 years, shall be considered.

The quantitative criteria will be read in conjunction with the qualitative criteria for determining the materiality and arriving at an overall decision on the disclosure.

C. Any other information/event that is likely to affect business

Such events may include but not be limited to the following and all such events will be disclosed by the Company to the stock exchanges:

- (i) Change in accounting policy that may have a significant impact on the accounts of the Company.
- (ii) Any other event which is in the nature of major development that is likely to affect business of the Company.
- (iii) Any other information exclusively known to the Company which may be necessary to be disseminated to enable the holders of the securities of the Company to be apprised of its position and to avoid the establishment of a false market in such securities.

2.3. Guidance on when an event/information is deemed to have occurred

- (i) Events/information shall be said to have occurred upon approval of the Board for matters where only the approval of the Board is required such as, further issue of capital by rights issuance and in certain events/information after receipt of approval of both the Board and shareholders of the Company for matters where both the approvals are required such as, amendment to Memorandum of Association.

- (ii) Certain events which are price sensitive in nature like declaration of dividends etc. will be deemed to have occurred and disclosed on approval of the Board of the Company pending shareholders' approval.
- (iii) Events such as natural calamities or disruption can be said to have occurred when the Company becomes aware of the event/information.

2.4. Key Managerial Personnel authorised for determining materiality

The Board has identified the below key managerial personnel as "Authorised persons" for the purposes of determining materiality of an event or information and disclosure of such events or information to the relevant stock exchange.

- a) The Managing Directors,
- b) The Chief Financial Officer; and
- c) The Company Secretary

The materiality of the event or information will be decided in consultation with persons connected with the event or information.

3. Compliance and Reporting

The Company shall disclose on its website all such events or information which have been disclosed to stock exchange(s) under this Policy, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter, be dealt with as per the archival process of the Company.

The Company will also comply with all other applicable laws and guidelines issues by various regulatory authorities while making disclosures.

4. Appendices

4.1. Definitions

- 4.1.1. **Board** means the Board of Directors of the Company
- 4.1.2. **Company** means Star Health and Allied Insurance Company Limited.
- 4.1.3. **Directors** shall mean the members of the Board of Directors including the Independent Directors.
- 4.1.4. **LODR 2015** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- 4.1.5. **Policy** means this Policy for determination of materiality threshold for disclosure of events or information on as amended and approved by the Board from time to time.
- 4.1.6. **SEBI** means the Securities and Exchange Board of India.

Capitalised terms used in this Policy and not defined above shall have the same meaning as assigned to them under the LODR 2015 or any other applicable law or guidelines.