



STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

(CIN: U66010TN2002PLC056649) (IRDA REGN. NO.129)

Regd Office:#1, New Tank Street, Valluvar Kottam High Road, Nungambakkam, Chennai-34

Tel:044-28288800 Website: www.starhealth.in Email: investors@starhealth.in

Dear Member(s),

POSTAL BALLOT (BY ELECTRONIC MEANS) NOTICE

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 (*“the Act”*) and other applicable provisions of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and other applicable Rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 08, 2021, issued by the Ministry of Corporate Affairs (*“MCA Circulars”*), relevant provisions of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, Secretarial Standard-2 (SS-2) on General Meetings and any other applicable laws and regulations, the resolutions appended below are proposed to be passed by members of Star Health And Allied Insurance Company Limited (*“the Company”*) through postal ballot (By Electronic Means) (*“the Postal ballot”*) /electronic voting (*“e-voting”*).

In accordance with the MCA Circulars, members can vote (electronically) only through the remote e-voting process. Accordingly, the Company is pleased to provide remote e-voting facility to all its members to cast their votes electronically. Members are requested to read the instructions in the Notes in this Postal Ballot Notice so as to cast their vote electronically from 10:00 a.m IST on Wednesday, February 02, 2022 and not later than 5:00 p.m. IST on Thursday, March 03, 2022, (the last day to cast vote electronically) to be eligible for being considered.

SPECIAL BUSINESS

Item No. 1– To Ratify the “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 in furtherance of and supplement to the Special Resolution passed by the Extra-Ordinary General Meeting of the Company held on August 06, 2019 and amended on October 4, 2021 pursuant to the Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 (*“the Act”*), read with applicable rules, circulars, notifications issued there under including any statutory modification(s) or re-enactment(s) thereof for the time being in force), provisions contained in the Memorandum of Association (*“MOA”*) and the Articles of Association (*“AOA”*) of the Company, the applicable provisions of the Insurance Act 1938, the Insurance Regulatory and Development Authority of India 1999 (*“IRDAI Regulations”*), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*“SEBI Listing Regulations”*), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*“SEBI SBEB Regulations”*), as amended from time to time, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include any Board Committee, including the Nomination Remuneration Committee (*“NRC”*), which the Board has constituted to exercise its powers, including the powers, conferred by this resolution read with Regulation 5 of SEBI SBEB Regulations) based on the recommendation of the Nomination and Remuneration Committee, ‘Star Health and Allied Insurance Company Limited Employee Stock Option Scheme 2019’ (**“ESOP 2019”**), as approved by the shareholders of the Company, prior to Initial Public Offering (IPO) of shares of the Company, be and is hereby ratified within the meaning of Regulation 12 of SEBI SBEB Regulations and the consent of the shareholders be and is hereby accorded to create, grant, offer, issue, vest and allot from time to time, in one or more tranches to the eligible employees of the Company, as defined under the ESOP 2019 and to such other



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persons as may from time to time be allowed to be eligible for the benefits of the employee stock option plan under applicable laws and regulations prevailing from time to time, under ESOP 2019, as may be decided by the Board, such number of options which shall not exceed 2,40,05,326 and each option on exercise shall entitle the employees 1 (one) equity share of the Company, subject to such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of applicable laws including SEBI SBEB Regulations, IRDAI Regulations, the Act and provisions of the ESOP 2019.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to make any modifications or revisions to ESOP 2019 as it may deem fit, from time to time, provided that the same is in conformity with the Act, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, SEBI SBEB Regulations, as amended, the Memorandum and Articles of Association of the Company and any other applicable laws, rules and regulations thereunder.”

“**RESOLVED FURTHER THAT** the Board is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP 2019 and such equity shares shall rank *paripassu* in all respects with all other existing Shares of same class issued by the Company.”

“**RESOLVED FURTHER THAT** the Managing Directors, Chief Financial Officer and Company Secretary be and are hereby severally authorized to finalise, sign and execute any document, deed, agreement, letter or any such writing on behalf of the Company and do all such acts deeds and things (including filings with Registrar of Companies and Stock exchanges and updating the Company’s Register of Members) as may be necessary and/or expedient in the interest of the Company in order to give effect to the above resolution. “

Item No. 2 – To Ratify the Star Health and Allied Insurance Company Limited Employee Stock Option Plan, 2021

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

“**RESOLVED THAT** in furtherance of and supplement to the Special Resolution passed by the Extra-Ordinary General Meeting of the Company held on November 11, 2021, pursuant to the Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 (“**the Act**”), read with applicable rules, circulars, notifications issued thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force), provisions contained in the Memorandum of Association (“**MOA**”) and the Articles of Association (“**AOA**”) of the Company, the applicable provisions of the Insurance Act 1938, the Insurance Regulatory and Development Authority of India 1999 (“**IRDAI Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB Regulations**”), as amended from time to time, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Board Committee, including the Nomination Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution read with Regulation 5 of SEBI SBEB Regulations) based on the recommendation of the Nomination and Remuneration Committee, ‘Star Health and Allied Insurance Company Limited Employee Stock Option Scheme 2021’ (“**ESOP 2021**”), as approved by the shareholders of the Company in the Extra-ordinary General Meeting held on November 11, 2021, prior to Initial Public Offering (IPO) of shares of the Company, be and is hereby ratified within the meaning of Regulation 12 of SEBI SBEB Regulations and the consent of the shareholders be and is hereby accorded to create,



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grant, offer, issue, vest and allot from time to time, in one or more tranches to the eligible employee of the Company, as defined under the ESOP 2021 and to such other persons as may from time to time be allowed to be eligible for the benefits of the employee stock option plan under applicable laws and regulations prevailing from time to time, under ESOP 2021, as may be decided by the Board, such number of options which shall not exceed 25,00,000 and each option on exercise shall entitle the employee 1 (one) equity share of the Company, subject to such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of applicable laws including SEBI SBEB Regulations, the Act and provisions of the ESOP 2021.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to make any modifications or revisions to ESOP 2021 as it may deem fit, from time to time, provided that the same is in conformity with the Act, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, SEBI SBEB Regulations, as amended, the Memorandum and Articles of Association of the Company and any other applicable laws, rules and regulations there under.”

“**RESOLVED FURTHER THAT** the Board is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP 2021 and such equity shares shall rank *paripassu* in all respects with all other existing Shares of same class issued by the Company.

“**RESOLVED FURTHER THAT** the Managing Directors, Chief Financial Officer and Company Secretary be and are hereby severally authorized to finalise, sign and execute any document, deed, agreement, letter or any such writing on behalf of the Company and do all such acts deeds and things (including filings with Registrar of Companies and Stock exchanges and updating the Company’s Register of Members) as may be necessary and/or expedient in the interest of the Company in order to give effect to the above resolution.”

Item No. 3 – Change in designation of Chairman & CEO

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), , Articles of Association of the Company , the Insurance Act 1938, the Regulations and Guidelines of the Insurance Regulatory and Development Authority of India (IRDAI), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and communication dated 21st January 2022 received from IRDAI, the approval of the Members be and is hereby accorded for change in designation of Mr. V Jagannathan (DIN: 01196055) from Chairman & CEO to Whole time Director & CEO from 27th January 2022 till remainder of his tenure i.e. till 16th June 2025, on the existing terms and conditions and remuneration as approved by the Board and shareholders prior to listing.”

“**RESOLVED FURTHER THAT** any one Director or Company Secretary be and are hereby severally authorized to perform all such acts, deeds and things to give effect to the aforesaid resolution and file forms with the Registrar of Companies, IRDAI and any other Authority as may be necessary.”



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Item No. 4 – Approval of the right to nominate directors pursuant to the Articles of Association of the Company

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

“RESOLVED THAT , approval of the Shareholders of the Company be and is hereby accorded to the right to nominate director(s) to the Board of Directors pursuant to the provisions of Article 101 A of the Articles of Association of the Company which reads as under.

“Any shareholder shall have a right to nominate to the Board of Directors, as follows:

- (a) 1 (one) Director on the Board, for so long as it is categorised as a promoter by IRDAI and / or SEBI;*
- (b) 2 (two) Directors on the Board, for so long as it (a) is categorised as a promoter by IRDAI and / or SEBI; and (ii) continues to hold, together with its affiliates, at least 14% (fourteen percent) of the share capital of the Company on a Fully Diluted Basis; and*
- (c) 3 (three) Directors on the Board, for so long as it (i) is categorised as a promoter by IRDAI and / or SEBI; and (iii) continues to hold, together with its affiliates, at least 21% (twenty one percent) of the share capital of the Company on a Fully Diluted Basis.”*

“RESOLVED FURTHER THAT the Managing Directors or the Company Secretary be and are hereby severally authorized to do all such other acts, deeds, matter or things as may be necessary, appropriate, expedient or desirable to give effect to the aforesaid resolution”

By Order of the Board

For Star Health and Allied Insurance Company Limited

sd/-

Jayashree Sethuraman

Company Secretary

Membership No A55099

Place: Chennai

Date: 25-01-2022



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

Item No 1

The Star Health and Allied Insurance Company Limited Employees Stock Option Scheme, 2019 (“ESOP 2019”), salient features of which are provided in the latter part of this section was approved by the shareholders vide special resolution in the Extra Ordinary General Meeting held on Company held on August 06, 2019 and amended on October 4, 2021 pursuant to recommendation of the Board.

The aggregate number of options that can be granted under ESOP 2019 is 2,40,05,326 each option on exercise convertible into one equity share of the Company.

Details of grant, exercise and lapsing of options as at January 25, 2022 on a cumulative basis as are below:

Options granted	2,16,53,357
Options lapsed/ expired	Nil
Options exercised	59,64,126
Options outstanding	1,80,41,200

The then shareholders of the Company approved the amendments to the ESOP 2019 on October 4, 2021, prior to listing of shares of the Company on December 10, 2021. Accordingly, it is required to get ESOP 2019 ratified by shareholders of the Company under Regulation 12 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”).

Hence, the said Scheme is referred to shareholders for ratification under Regulation 12 and other applicable provisions of SEBI SBEB Regulations. The ESOP 2019 is in conformity with the SEBI SBEB Regulations and the Company has not made any fresh grant of options to employees after listing of shares of the Company.

Details and particulars of the Scheme as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are as follows:

Sl. No.	Requirement	Disclosure
a.	Brief Description of the ESOP Scheme	As per ESOP 2019 Scheme annexed to the Notice.
b.	The total number of options to be granted	2,40,05,326(Two Crore Forty Lakh Five Thousand Three Hundred and Twenty Six only)
c.	Identification of classes of employees entitled to participate in Star Health and Allied Insurance Company Limited Employee Stock Option Scheme 2019	Employees as defined in ESOP 2019, who qualify for the issue of Options under the Scheme and who fulfill the conditions as may be decided by the Nomination & Remuneration Committee (NRC) from time to time.
d.	The requirements of vesting and period of vesting	The vesting shall commence after the expiry of one year from the date of the grant of the

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Sl. No.	Requirement	Disclosure
		Options to the eligible employees with 20% of options vesting each year for a period of 5 years.
e.	The maximum period within which the options shall be vested	Covered in point (d) above
f.	The exercise price or the formula for arriving at the same	Each Option issued by the Company to the eligible employees, would be eligible for allotment of one Equity Share of the Company on payment of the Exercise Price. The Exercise Price shall be as determined by the NRC from time to time and subject to such regulations as may be applicable from time to time.
g.	The exercise period and process of exercise	As detailed in the ESOP 2019
h.	The lock-in period, if any	Nil
i.	The appraisal process for determining the eligibility of employees for the Star Health and Allied Insurance Company Limited Employee Stock Option Scheme 2019	NRC shall be entitled to make the granting or vesting of any or all of the Options granted to an eligible employee conditional upon the fulfilment of such performance criteria whether of the employee and/or any team or group of which he is a part and/or of the Company, as may be determined by the management from time to time or such other conditions as may be deemed fit by NRC.
j.	The maximum number of options offered, issued and granted per employee and in aggregate	The maximum number of options granted to each employee shall be decided by the Nomination and Remuneration Committee
k.	The maximum quantum of benefits provided per employee	The maximum quantum of benefits provided to each employee shall be decided by the Nomination and Remuneration Committee
l.	Whether the scheme(s) is to be implemented and administered directly by the company or through a trust;	To be implemented and administered directly by the Company.
m.	Star Health and Allied Insurance Company Limited Employee Stock Option Scheme 2019 involves new issue of shares by the Company or secondary acquisition by the trust or both	New issue of shares by the Company
n.	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.;	Not applicable
o.	Maximum percentage of secondary acquisition (subject to limits specified under the	Not applicable



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Sl. No.	Requirement	Disclosure
	regulations) that can be made by the trust for the purposes of the scheme(s);	
p.	A statement to the effect that the company shall conform to the accounting policies specified in regulation 15; and applicable Accounting Standards	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.
q.	The method which the company shall use to value its options	The Company shall value its option at fair value or such other method as permitted by accounting standards in force from time to time.
r.	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
s.	Terms & conditions for buyback, if any, of specified securities covered under these regulations.	Not applicable
t.	The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct	In the event of termination of employment for reasons mentioned in the ESOP 2019 scheme, all Options including those, which are vested but not exercised at the time of termination of employment, shall expire and stand terminated with effect from the date of such termination
u.	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	Covered in point (g) and (t) above

The Board recommends the resolutions set out at Item No. 1 of the accompanying notice for approval of the Members by way of Special Resolution.



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Interest of Directors and KMP:

None of the directors, key managerial personnel, of the Company or the relatives of the aforementioned persons are interested in the said resolution, except to the extent of the shares allotted/options granted to them under the ESOP 2019.

Item No 2

Pursuant to recommendation of the Board, shareholders of the Company in the Extraordinary Meeting held on November 11 , 2021 had approved amendment of the Star Health and Allied Insurance Company Limited Employees Stock Option Plan, 2021, (“ESOP 2021”), salient features of which are provided in the latter part of this section.

The aggregate number of options that can be granted under ESOP 2021 is 25,00,000. Each option on exercise convertible into one equity share of the Company.

Details of grant, exercise and lapsing of options as at January 25, 2022 on a cumulative basis as are below:

Options granted	25,00,000
Options lapsed/ expired	Nil
Options exercised	Nil
Options outstanding	25,00,000

The then shareholders of the Company approved the ESOP 2021 on November 11, 2021, prior to listing of shares of the Company with effect from December 10, 2021. Accordingly, it is required to get ESOP 2021 ratified by shareholders of the Company under Regulation 12 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”).

Hence, the said Scheme is referred to shareholders for ratification under Regulation 12 and other applicable provisions of SEBI SBEB Regulations. The ESOP 2021 is in conformity with the SEBI SBEB Regulations and the Company has not made any fresh grant of options to employees after listing of shares of the Company.

Details and particulars of the Scheme as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are as follows:

Sl. No.	Requirement	Disclosure
a.	Brief Description of the ESOP Scheme	As per ESOP 2021 Plan Annexed to the Notice.
b.	The total number of options granted	25,00,000 (Twenty Five Lakhs only)
c.	Identification of classes of employees entitled to participate in Star Health and Allied Insurance Company Limited Employee Stock Option Plan 2021	As per ESOP 2021
d.	The requirements of vesting and period of vesting	The options shall vest immediately after completion of one year from the date of grant.

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Sl. No.	Requirement	Disclosure
e.	The maximum period within which the options shall be vested	Covered in point (c) above
f.	The exercise price or the formula for arriving at the same	Each Option issued by the Company to the eligible employee, would be eligible for allotment of one Equity Share of the Company on payment of the Exercise Price. The Exercise Price is Rs.10/- per share.
g.	The exercise period and process of exercise	As detailed in the ESOP 2021
h.	The lock-in period, if any	Nil
i.	The appraisal process for determining the eligibility of employees for the Star Health and Allied Insurance Company Limited Employee Stock Option Scheme 2021	NRC shall be entitled to make the granting or vesting of any or all of the Options granted to an eligible employee as per terms of ESOP 2021.
j.	The maximum number of options granted per employee and in aggregate	25,00,000 options
k.	The maximum quantum of benefits provided per employee	25,00,000 options
l.	Whether the scheme(s) is implemented and administered directly by the company or through a trust;	Implemented and administered directly by the Company.
m.	Star Health and Allied Insurance Company Limited Employee Stock Option Scheme 2021 involves new issue of shares by the Company or secondary acquisition by the trust or both	New issue of shares by the Company
n.	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.;	Not applicable
o.	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
p.	A statement to the effect that the company shall conform to the accounting policies specified in regulation 15;	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.
q.	The method which the company shall use to value its options	The Company shall value its option at fair value or such other method as permitted by accounting standards in force from time to time.
r.	The following statement, if applicable:	The Company shall disclose the difference between the employee compensation cost



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Sl. No.	Requirement	Disclosure
	'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';	calculated under intrinsic value and the employee compensation cost that shall have been recognized if it had used the fair value, and the impact of this difference on profits and on earnings per share ("EPS") in the Directors' report
s.	Terms & conditions for buyback, if any, of specified securities covered under these regulations.	Not applicable
t.	The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct	As per ESOP 2021 scheme
u.	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	Covered in point (g) and (t) above

The Board recommends the resolutions set out at Item No. 2 of the accompanying notice for approval of the Members by way of Special Resolution.

Interest of Directors and KMP:

None of the directors, key managerial personnel, of the Company or the relatives of the aforementioned persons are interested in the said resolution, except to the extent of the shares allotted/options granted to the eligible employee under the ESOP 2021.

Item No 3

IRDAI had approved vide their email dated 22nd May 2020, the appointment of Mr. V Jagannathan as Chairman & CEO for a period of five (5) years with effect from 17th June 2020.

The Company had listed its equity shares in the NSE and BSE with effect from 10th December 2021.

In order to comply with Regulation 17(1B) of SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee and the Board of Directors recommend to the members the change in designation of Mr. V Jagannathan from Chairman & CEO to Whole time Director & CEO.

Further IRDAI has taken note of the change in designation vide their letter dated January 21 2022.

The change in designation shall take effect from January 27, 2022.



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Name of the Director	Mr.V.Jagannathan
Age	77 Years
Qualification	MA
Experience	50 Years of Non-Life Insurance
Remuneration last drawn	Rs.2.5 Crore per annum
Date of first appointment	17-05-2005
Shareholding details	0.76%
Relationship with other Directors/KMP	Nil
No of Board Meeting attended during the year (FY 2021-22)	17
Details of other Directorship, membership/ Chairmanship of other Boards	Nil

Interest of Directors and KMP:

None of the directors, key managerial personnel, of the Company or the relatives of the aforementioned persons are interested in the said resolution, except Mr. V Jagannathan.

Item No. 4

The Article 101A of the Articles of Association of the Company was approved by the Shareholders in their meeting held on October 04, 2021. The said provision enables the Company to appoint Nominee Directors by the shareholders based on their percentage of holding in the Company. The said Article also envisages that this provisions will be subject to the approval of the Shareholders obtained subsequent to the Initial Public Offer (IPO) of the Company.

The IPO was completed and the shares of the Company were listed on the BSE and NSE with effect from December 10, 2021. Accordingly, Board considered the above resolution at its meeting held on January 25, 2022 and recommended the same for the approval of the shareholders.

Interest of Directors and KMP:

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

By Order of the Board

**For Star Health and Allied
Insurance Company Limited**

sd/-

Jayashree Sethuraman
Company Secretary
Membership No A55099

Place: Chennai
Date: 25-01-2022



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NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) read with Rules made thereunder, setting out material facts concerning the Resolutions, is given above.
2. In accordance with the MCA Circulars, this Postal Ballot Notice is being sent only by electronic mode to those members whose names appear on the Register of Members / List of Beneficial Owners as on Friday, 28th January, 2022 (“*Cut-Off Date*”) received from the Depositories and whose e-mail address is registered with the Company / Depositories. Physical copies of the Postal Ballot Notice along with postal ballot forms and pre-paid business reply envelopes are not being sent to members for this Postal Ballot.
3. The Board of Directors vide its resolution on January 25, 2022 has appointed Mr.Mirza Ismail Irshad Ahmed Practising Company Secretary (Membership No. F11458, CP No: 24586) to act as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.
4. All the material documents referred in Explanatory Statements shall be available for inspection through electronic mode, basis the request being sent by Members on email id: investors@starhealth.in mentioning their name, Folio no. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.
5. All correspondence related to change of address, change in e-mail ID already registered with the Company, transfer / transmission of shares, issue of duplicate share certificates, Company mandates and all other matters relating to the shareholding in the Company may be made to M/s. KFin Technologies Private Ltd., the Registrar and Share Transfer Agent (“RTA/KFin/KFintech”). The Members holding shares in electronic form may send such communication to their respective Depository Participant/s (DPs).
6. Members would be able to cast their votes and convey their assent or dissent to the proposed resolution only through the remote e-voting process. Members whose names appear on the Register of Members / List of Beneficial Owners as on the Cut-Off Date will only be considered eligible for the purpose of e-voting. A person who becomes a member after the Cut-Off Date should treat this notice for information purpose only.
7. As an eco-friendly measure intending to benefit the society at large, we request you to be part of e-initiatives of the Company and register your e-mail ID to receive all communications and documents including Annual Reports from time to time in electronic form to the e-mail ID provided by you. Members holding shares in electronic form, may send such communication to their respective DPs and those holding shares in physical form, may send such communication to KFin.
8. In accordance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) and Section 108 of the Act and the Rules made thereunder, the Company has engaged KFin as the agency for facilitating the Members to communicate their assent or dissent through Electronic Means in respect of the aforesaid resolutions. The detailed procedure for Voting through electronic means (“e-voting”) is appended in the Notes to Notice. The e-voting shall commence at 10.00 A.M. on 02nd February 2022.



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(CIN: U66010TN2002PLC056649) (IRDA REGN. NO.129)

Regd Office:#1, New Tank Street, Valluvar Kottam High Road, Nungambakkam, Chennai-34

Tel:044-28288800 Website: www.starhealth.in Email: investors@starhealth.in

9. As per Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic means. Members who have registered e-mail Ids are being sent this Notice of Postal Ballot by e-mail.
10. Postal Ballot Notice can be downloaded from the Company's website i.e. www.starhealth.in
11. Resolutions passed by the Members through Postal Ballot by electronic means are deemed to have been passed as if they have been passed at a General Meeting of the Members.
12. A member desiring to vote by electronic means is requested to read the instructions for Postal Ballot carefully and register their electronic vote before 5.00 p.m. on 03rd March 2022. In case a Member has any queries or grievances regarding e-voting he or she may send mail to investors@starhealth.in
13. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on and a person who is not a Member as on the record date should treat this Notice for information purposes only.
14. Information as required under SEBI LODR Regulations & Companies (Share Capital and Debentures) Rules, in respect of the special business forming part of the Notice of Postal Ballot by electronic means is furnished in the above Explanatory Statement and forms part of the Notice.
15. The Scrutiniser's decision on the validity of the vote shall be final.
16. Once the vote on a resolution stated in this Notice is cast by shareholder through Remote e-voting, the shareholder shall not be allowed to change it subsequently and such e-vote shall be treated as final.
17. The Scrutinizer will submit his report to the Chairman/Director after the completion of scrutiny, and the Results will be declared by the Company within 24 hours of the closing of e-voting period on its website www.starhealth.in and communicated to the Stock Exchanges, where the shares of the Company are listed.

VOTING THROUGH ELECTRONIC MEANS – INSTRUCTIONS

The Company has engaged the services of KFin as the Agency to provide facility for remote e-voting.

The e-voting period commences on Wednesday, February 02, 2022 at 10:00 A.M. and ends on Thursday, March 03, 2022 at 5:00 P.M. During this period members may cast their vote electronically. The e-voting module will be disabled for voting after 5:00 P.M. on March 03, 2022.

Once the vote on a resolution is cast by the member, it will not be allowed to change it subsequently.

The Details and the process and manner for remote e-voting are explained herein below:

- I. Access to Depositories e-voting system in case of individual shareholders holding shares in demat mode.
- II. Access to KFinTech e-voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode



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I. Login method for remote e-Voting for Individual shareholders holding securities in demat mode

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1. Users already registered for IDeAS facility</p> <p>i). Visit URL: https://eservices.nsdl.com</p> <p>ii). Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</p> <p>iii). On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</p> <p>iv). Click on Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p>
	<p>2. User not registered for IDeAS e-Services</p> <p>i). To register click on link : https://eservices.nsdl.com</p> <p>ii). Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>iii). Proceed with completing the required fields.</p> <p>iv). Follow steps given in points 1</p>
	<p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <p>Open URL: https://www.evoting.nsdl.com/</p> <p>i). Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>ii). A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>iii) . Post successful authentication, you will requested to select the name of the Company and the e-Voting Service Provider name, i.e. KFintech</p> <p>On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period</p>

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<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>1.Existing user who have opted for Easi / Easiest</p> <p>i).Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com</p> <p>ii). Click on New System Myeasi</p> <p>iii). Login with your registered user id and password.</p> <p>iv). The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</p> <p>v). Click on e-Voting service provider name to cast your vote</p> <hr/> <p>2. User not registered for Easi/Easiest</p> <p>i). Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>ii). Proceed with completing the required fields.</p> <p>iii). Follow the steps given in point 1</p> <hr/> <p>3.Alternatively, by directly accessing the e-Voting website of CDSL</p> <p>i). Visit URL: www.cdslindia.com</p> <p>ii). Provide your demat Account Number and PAN No.</p> <p>iii). System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>iv). After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.</p>
<p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p>	<p>i). You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>ii). Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>iii). Click on options available against Company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</p>



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Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

II. Login method for e-Voting for shareholders other than Individual’s shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘Star Health and Allied Insurance Company Limited (PostalBallot)’ and click on “Submit”
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.



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- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer’s email id cs.irshad@irshadandassociates.in with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name_Even No.”

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the, Notice of Postal Ballot and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their email address and in consequence the Notice of Postal Ballot and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: [https:// karisma.kfintech.com/emailreg](https://karisma.kfintech.com/emailreg). Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
- ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com long with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Notice of Postal Ballot and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means

Please read all the instructions carefully before participating in voting electronically. In case of any query on e-voting, Members may refer to the "Help" and "FAQs" sections / e-voting user manual available through a dropdown menu in the "Downloads" section of KFintech website for e-voting: <https://evoting.kfintech.com> or contact KFintech, (Unit: Star Health and Allied Insurance Co Ltd), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 at e-mail Mr. Veeda Raghunath raghu.veedha@kfintech.com at phone no. 1-800-309-4001 (toll free)

Thanking You,

Yours sincerely

For Star Health and Allied Insurance Co Ltd

sd/-

Jayashree Sethuraman
Company Secretary & Compliance Officer

ANNEXURE TO THE POSTAL BALLOT NOTICE

**Star Health and Allied Insurance Company Limited
Employees Stock Option Plan 2019**

A. Salient features of the Scheme

This Employees Stock Option Plan 2019 (hereinafter referred to as “**ESOP 2019**” or “**Scheme**”) is formulated pursuant to provisions of the Companies Act, 2013 (“**Companies Act**”) and the rules made thereunder, as amended from time to time, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB & SE Regulations**”), as amended from time to time and which has been approved and recommended by the Nomination and Remuneration Committee in its meeting held on 06th August 2019 and approved by the Board pursuant to the resolution passed at its meeting held on 06th August 2019 and 23rd May 2021 and by the shareholders at the extra ordinary general meeting of the Company held on 06th August 2019 and 16th July 2021 and in accordance with the provisions of the Companies Act, read with the relevant rules made therein. Wherever applicable, the Scheme shall be in accordance with the regulations prescribed by IRDAI and / or any other regulatory authority as applicable to the Company and shall not contravene any other law, for the time being in force that is material for giving effect to such Scheme.

The Scheme applies to all Employees (as defined herein below). The Nomination & Remuneration Committee of Board of Directors would decide the entitlement of each Employee based on his/her level, grade, seniority, performance and other relevant factors.

It shall be deemed to have come into force on 06th August 2019.

1. Definitions and Interpretations

- 1.1 The terms defined in this section shall, for all purposes of this Scheme, have the meanings herein specified. Under the Scheme, where the context so admits, the masculine shall include the feminine and the singular shall include the plural.
- (a) “**Applicable Law**” means every law relating to Options, to the extent applicable, including and without limitation to the Companies Act read with the Companies (Shares and Debentures) Rules 2014, , the Securities and Exchange Board of India Act, 1992; SEBI SBEB & SE Regulations, Foreign Exchange Management Act, 1999, regulations prescribed by IRDAI, Foreign Exchange Management (Non-debt Instruments) Rules, 2019 each as amended from time to time, all relevant tax, securities, exchange control, corporate laws, or amendments thereof including any circular, notification issued thereunder, or regulations promulgated by the Reserve Bank of India, as applicable, and guidelines issued by the Government of India;
 - (b) “**Award**” or “**Award Agreement**” means a written Award Agreement between an Employee and the Company, confirming the Grant of the Stock Option and evidencing the terms and conditions upon which they may be exercised and sold;
 - (c) “**Affiliate**” means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under the common control as that of the Company;
 - (d) “**Board**” means the board of directors of the Company or any committee thereof and where the context so requires;
 - (e) “**Company**” means Star Health and Allied Insurance Company Limited and its successor or assigns;

- (f) “**Companies Act**” means the Companies Act, 2013, or any modifications thereto from time to time, or rules made thereunder;
- (g) “**Nomination & Remuneration Committee**” or “**Committee**” means the Committee of the Board of Directors which shall have the functions of, inter-alia formulating, implementing, supervising and administering the Scheme;
- (h) “**Employee**” means

A. Until the Listing of the Company:

1. a permanent employee of the Company who has been working in India or out of India; or
2. a director of the Company, whether a whole time director or not but excluding an independent director; or
3. an employee as defined in sub-clauses (1) or (2) of a Subsidiary in India, or outside India, or of a Holding Company of the Company,

But does not include:

- (a) an employee who is a Promoter or a person belonging to the Promoter Group; or
- (b) a director who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company.

B. Post the Listing of the Company:

1. an employee as designated by the Company, who is exclusively working in India or outside India; or
2. a Director of the Company, whether a whole time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an independent director; or
3. an employee as defined in sub-clauses (1) or (2) above, of a company belonging to the same Group as Company including Subsidiary or its associate company, in India or outside India, or of a Holding Company of the Company,

But does not include:

- (a) an employee who is a Promoter or belongs to the Promoter Group;
- (b) a Director who either by himself or through his Relatives or through any body corporate, directly or indirectly holds more than ten percent of the outstanding Equity Shares of the Company.

- (i) “**Eligible Employee**” means the Employees of the Company as determined and designated as eligible by the Nomination and Remuneration Committee, pursuant to the eligibility criteria under Clause 7 of this ESOP 2019;

- (j) “**Equity Shares**” or “**Shares**” mean equity shares of the Company of face value of Rs. 10 each;
- (k) “**Exercise**”, in relation to Options, means, making of an application by an Employee to the Company or to the Trust for issue of Shares against vested Options in pursuance of ESOP 2019;
- (l) “**Exercise Notice**” means the notice by which an Employee requests the Company or the Trust to allot Shares pursuant to the Options vested in him under the Grant and the ESOP 2019;
- (m) “**Exercise Period**” means a period after Vesting within which an Employee should Exercise his right to apply for Shares against the vested Option in pursuance of the ESOP 2019. The exercise period for the Grant shall be disclosed in the Award Agreement;
- (n) “**Exercise Price**” means the 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 & Remuneration Committee on a case-to-case basis provided that the exercise price shall be in compliance with the accounting standards specified under the SEBI SBEB & SE Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued by ICAI in that regard from time to time, subject to a maximum of fair value as per Applicable Law on the date of Vesting of the Option;
- (o) “**Grant**” means the process whereby the Nomination & Remuneration Committee passes a resolution granting a specified number of Options to the Employees under ESOP 2019;
- (p) “**Grant Date**”, with respect to any Options means the date on which the Nomination & Remuneration Committee approves the Grant of such Options pursuant to the ESOP 2019;
- (q) “**Group**” shall have the same meaning assigned to it under the SEBI SBEB & SE Regulations;
- (r) “**Holding Company**” has the same meaning under the Companies Act, whether incorporated in India or outside India;
- (s) “**Grantee**” means an Employee who has been granted an Option under the Scheme and signed his acceptance thereof by way of an Award Agreement in accordance with the terms and conditions set forth in the Scheme;
- (t) “**IPO**” means an initial public offering of the Shares by the Company on any recognized Stock Exchange(s)
- (u) “**Listing**” means listing of the Shares on any recognized stock exchange and includes IPO preceding the listing of Shares;
- (v) “**Option**” means the Option given to an Employee that gives him a right to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price. This is a right but not an obligation granted to an Employee under the Scheme to apply for and be allotted Shares of the Company at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting. Each Option granted would represent the right to apply for 1 (one) Equity Share of the Company.
- (w) “**Option Holder**” means an Eligible Employee who has been Granted the Options and has been issued a Grant and agrees to abide by the terms and conditions of this ESOP 2019 as well as the Grant.

- (x) "**Participant**" means an Employee as defined under Clause 1.1(h) to whom Options are granted under ESOP 2019.
- (y) "**Promoter**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- (z) "**Promoter Group**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended:
- Provided where the Promoter or Promoter Group of a company is a body corporate, the promoters of that body corporate shall also be deemed to be Promoters of such company;
- (aa) "**Relative**" shall have the meaning ascribed to it under section 2(77) of the Companies Act;
- (bb) "**SEBI**" means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992;
- (cc) "**SEBI SBEB & SE Regulations**" means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2014, as amended from time to time;
- (dd) "**Subsidiary**" means any present or future subsidiary as defined under the Companies Act;
- (ee) "**Trust**" means a trust established under the provisions of Indian Trusts Act, 1882 including any statutory modification or re-enactment thereof.
- (ff) "**Valuation Date**" means 31st March of the immediately preceding financial year.
- (gg) "**Vesting**" means the process by which an Employee becomes entitled to receive the benefit of a Grant pursuant to the ESOP 2019;
- (hh) "**Vesting Period**" means the period, from the date of Grant of the Option till the date on which the Grantee becomes eligible to Exercise the Options.
- (ii) "**Vesting Condition**" means any performance condition other than time condition which may be determined by the Nomination & Remuneration Committee and the Options granted may be in part or in full vest depending on achievement of such performance condition.
- (jj) "**Unvested Option**" means an Option granted, in respect of which the relevant vesting conditions have not been satisfied and as such, the Option Holder has not become eligible to Exercise the Option

All other expressions shall have the meaning ascribed to it in the Securities and Exchange Board of India Act, 1992 or the Securities Contract (Regulation) Act, 1956, or Companies Act or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modification or re-enactment thereof, as the case may be.

1.2 Interpretations

In this document, unless otherwise stated or intention appears:

- (a) words denoting the singular shall include the plural and vice versa;
- (b) the words importing a gender include every gender;
- (c) heading and bold type face are only for convenience and shall not affect the interpretation hereof;
- (d) references to the word “include” or “including” shall be construed without limitation; and
- (e) references to any statute or statutory provision or rule or regulation shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

2. Purposes

The purpose of the Scheme is to:

Attracting and retaining right talent and motivating them to deliver best performance is critical for the long term success of the Company. The Scheme intends to make Employees a party to the value creation journey by aligning their incentive to the long term performance of the Company.

3. Quantum of Shares subject to the Scheme

- (a) The maximum number of Options available for Grant under the ESOP 2019 shall be [24,005,326] Each Option when exercised will be converted into one Share of the Company.
- (b) Where Shares are issued consequent upon Exercise of an Option under the Scheme, the maximum number of Shares that are subject to Options referred above shall stand reduced to the extent of such Shares issued.
- (c) The maximum number of Options that may be granted to an Employee shall vary depending upon the eligibility criteria such as tenure, designation and the appraisal, ratings;., The Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to an Employee .
- (d) If the number of Options that may be offered to an Eligible Employee, during any one year, shall be equal to or more than 1% (one percent) of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of Grant of Options, then the Company shall take prior approval from shareholders of the Company by way of a special resolution.
- (e) The Company shall take prior approval from the shareholders of the Company by way of a special resolution to Grant Options to the Employees of the Subsidiary (ies), or associate, or a company belonging to the same Group as the Company.
- (f) In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares available for being issued under the Scheme as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation.

4. Scheme Administration

- 4.1. The Scheme shall be administered by the Nomination & Remuneration Committee constituted by the Board.
- 4.2. The Board shall have the power to reconstitute the Nomination & Remuneration Committee from time to time.
- 4.3. The Nomination & Remuneration Committee shall, *inter alia*, formulate the detailed terms and conditions of the Scheme which shall include the provisions as specified under Applicable Law and shall ensure due implementation of the same. The Committee shall determine the detailed terms and conditions of the Options, including but not limited to the following (in general or on a case by case basis):
- (a) Determining the eligibility criteria for Grant of Options;
 - (b) Determining the Employees to whom the Options are to be Granted;
 - (c) Determining the date of Grant;
 - (d) Determining the number of Options to be Granted to the Grantee;
 - (e) Determining the number of tranches in which the Options are to be Granted and the number of Options to be Granted in each such tranche;
 - (f) Determining the Vesting Period and the criteria, conditions and schedule for Vesting of the Options including the conditions under which vesting shall be accelerated ;
 - (g) Determining the conditions and restrictions for Exercise;
 - (h) The quantum of Options, per Employee and in aggregate under a Scheme;
 - (i) Determining the Exercise Period, the Exercise Price (including the mode of payment) and that Option would lapse on failure to Exercise the Option within the Exercise Period;
 - (j) Determining the time period within which the Employee shall exercise the Vested Options in the event of termination or resignation of the Employee;
 - (k) Determining the conditions under which the Options Vested in the Grantee may vest in Employees and may lapse in case of termination of employment or termination of directorship for Cause or misconduct;
 - (l) Determining the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, *inter alia*, be taken into consideration by the Nomination and Remuneration Committee:
 - (i) the number and price of Options shall be adjusted in a manner such that total value; to the Employee of the Options remains the same after the corporate action;

- (ii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is/are granted such Options;
- (m) Determining the right of a Grantee to Exercise all the Options Vested in him/her at one time or at various points of time within the Exercise Period;
- (n) Determining the Grant, Vesting and Exercise of Options in case of Employees who are on long leave, sick leave, unpaid leave, etc.;
- (o) Determining the treatment of Unvested Options upon termination of employment or directorship;
- (p) Determining disallowance of Options in case of any breach or misconduct by Grantee;
- (q) Determining the procedure for cashless Exercise of Options, if provided;
- (r) Determining any alteration, amendment, modification, addition, deletion or variation of any terms and conditions of any Option granted under the ESOP 2019;
- (s) Determining the amount to be paid to any Grantee in case of any mandatory forfeiture or surrender of Vested Options;
- (t) Determining the conditions, restrictions etc. on the Shares issued under this ESOP 2019 including any mandatory transfer, contribution, and the process and mechanism thereof;
- (u) Laying down the procedure for formation of trust and implementation of this ESOP 2019 through a trust or transfer or contribution of Shares to a trust upon issuance to the Employees, if required;
- (v) Determining the forms, writings and/or agreements for use in pursuance of the ESOP 2019;
- (w) Determining the method which the Company shall use to value the Options;
- (x) Obtaining approval of the shareholders of the Company by separate resolutions for actions, including but not limited to (i) Grant of Options to Employees of, associate, Subsidiary or Holding Company, or company belonging to the same Group as of the Company; or (ii) Grant of Option to identified Employees, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Options; or other such actions that requires such approval of the shareholders of the Company;
- (y) The procedure for funding the Exercise of Options;
- (z) The procedure for buy-back of specified securities issued under SEBI SBEB & 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-back in a financial year;
- (aa) The procedure for cashless Exercise of Options, in accordance with Applicable Laws; and
- (bb) Taking such other steps as may be required for implementation and/or administration of this ESOP 2019 including delegation of the above authority to any subcommittee of Directors/officials of the Company.

- 4.4. The Nomination & Remuneration Committee shall have power to administer the Scheme, prescribe or amend any rule and correct any defects in the Scheme.
- 4.5. Each Grantee shall be provided a copy of this Scheme and a copy of the Award Agreement.
- 4.6. The HR Head of the Company shall be the administrator of the Scheme under the control of the Nomination & Remuneration Committee (the “**Scheme Administrator**”), who shall maintain such records and data as may be required to administer the Scheme.
- 4.7. The Scheme Administrator shall provide each Grantee financial statements of the Company on annual basis. Grantee shall have access to these statements through intranet and the Company website.
- 4.8. The Nomination & Compensation Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its Employees, as applicable.

5. Effective Date

The Scheme shall be deemed to have come into force on the 6th Day of August 2019 (the “**Effective Date**”). The Scheme shall be terminated on 30th Day of July 2027 (the “**Closing Date**”) and no Grant shall be made under the Scheme after the Closing Date.

6. Grant of Options

The Nomination & Remuneration Committee may Grant Options to the Eligible Employees based on their qualification, experience, performance, hierarchy level in the organization and other related factors, under any of the following circumstances in compliance with Applicable Law:

- (a) At the time of joining employment of the Company; or
- (b) At the time of regular performance reviews and depending upon the nature of review that an Employee obtains; or
- (c) At any other time that the Nomination & Remuneration Committee may deem fit.

7. Eligibility

- 7.1. Except as set forth in this Scheme, all Employees are eligible for Options subject to the provisions of the Scheme. The Nomination & Remuneration Committee will determine and designate from time to time Employees to whom Options are to be granted and the number of Shares subject to such Grants of Options. The Options shall be granted by the Nomination & Remuneration Committee to such Employees under an Award Agreement signed by the Scheme Administrator/ Authorized Signatory of the Nomination & Remuneration Committee and the Grantee.
- 7.2. All Employees are eligible to participate in the Scheme. The Nomination & Remuneration Committee in its sole discretion can change the eligibility criteria during the tenure of the program as it may deem fit.

7.3. In determining the eligibility of an Employee to receive Options under the Scheme, the Committee shall consider, *inter alia*, the following criteria (i) performance of an Employee as indicated by the annual performance appraisal; (ii) minimum period of service; (iii) the position and responsibilities of an Employee; (iv) the nature and value to the Company of his services and accomplishments; (v) his present and potential contribution to the success of the Company; and (vi) past service and geographical location and such other factors that the Committee may deem relevant. The Nomination & Remuneration Committee however is authorized to change the eligibility criteria from time to time.

8. Terms and Conditions of Options

8.1. Options shall be subject to the following terms and conditions and to such other terms and conditions (not inconsistent with the Scheme) as shall from time to time be approved by the Nomination & Remuneration Committee and incorporated in the Scheme.

- (a) No Employee shall have any right to demand from the Company for Grant of Options, nor shall the Company have any such obligation to any Employee.
- (b) It is clearly understood that the Grant or Vesting of any Options to an Employee, per se, does not assure accrual of a benefit or profit.
- (c) Upon completion of the Vesting Period, the Grantee shall have the right to purchase Shares equivalent to maximum of the number of Options held from the Company. Even after the completion of the Vesting Period, the Grantee will not be entitled to any dividends, rights issue or bonus Shares issued until such time as the Options are exercised and Shares issued thereunder are allotted to the Grantee.

9. Award Agreement

The Grant of Options shall be confirmed by an Award Agreement (in the form prescribed by the Nomination & Remuneration Committee) which shall be executed by the Scheme Administrator and an Employee at the time of such Grant and shall be in compliance with Applicable Law. The Award Agreement shall expressly state or incorporate by reference, the provisions of the Scheme.

10. Option Accounting

In respect of Options granted during any accounting period, the accounting value of the Options shall be treated as another form of Employee compensation in the financial statements of the Company. The Company shall conform to the disclosures and the accounting policies and other Applicable Laws as specified and amended from time to time. The Company shall comply with the requirements of the 'Guidance Note on Accounting for Employee Share-Based Payments' ("**Guidance Note**") or accounting standards as may be prescribed by the Institute of Chartered Accountants of India ("**ICAI**") from time to time. Where the existing Guidance Note or accounting standard do not prescribe accounting treatment or disclosure requirements for employee stock option schemes then the Company shall comply with the relevant accounting standard as may be prescribed by the ICAI from time to time

11. Vesting Period

11.1. 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. Notwithstanding anything contained in this clause, or the Scheme, in case of death or permanent disability, the minimum Vesting Period of one year shall not apply after the Listing of the Company. The Vesting Period and schedule shall be provided in the Award Agreement with each Employee. Vesting of

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED - EMPLOYEE STOCK OPTION PLAN 2019

Options shall be subject to continued employment of the Grantee with the Company, except as provided under the Applicable Law.

- 11.2. The Committee may specify, in its discretion, any performance parameters subject to which the Options would Vest. Provided however that the Committee shall be entitled to amend or modify the conditions prior to Vesting of the Options, at its sole discretion from time to time, whose decision shall be final and binding on the Grantee.
- 11.3. However, in the event of the death of an Employee while in employment, all the Options granted to him till such date shall, whether or not such Options were exercisable on the date of the Grantee's death, forthwith Vest in the legal heirs or nominees of the deceased Employee on that date and can be exercisable by them within the time period stated in clause 16. Similarly in the event of total and permanent disability while in employment, all the Options granted to an Employee as on the date of such total permanent disability shall Vest, whether or not such Options were exercisable on the date of the Grantee's total and permanent disability, forthwith in him or his legal heirs, or designated nominees on that date, and can be exercisable by him or by his legal heirs or designated nominees, as the case maybe, within the time period specified in clause 16.
- 11.4. In case of retirement of the Employee, all the Options granted to him till the retirement date shall, whether or not such Options were exercisable on the date of the Grantee's retirement, shall forthwith Vest on the Employee on that date and can be exercisable by him within 1 (one) year from the date of retirement or such extended time provided by the Nomination & Remuneration Committee

After Listing, the Options granted which have not Vested, will not expire, and continue to vest in accordance with respective Vesting schedules as per Company's policies, or can be subject to accelerated Vesting within the time period as may be specified by the Committee.

- 11.5. In a case where options are granted by a company under its employees' stock option scheme in lieu of Options Granted to the Employee under the ESOP 2019 by the Company, which has merged or amalgamated with the first mentioned company, the period during which the Options granted by the Company were held by the Employee upon Grant shall be adjusted against the minimum Vesting Period as mentioned above.

12. Exercise of Options

- 12.1. An Employee has the right to convert any number of his vested Options into Shares in full or in tranches at any time during the Exercise Period subject to the following conditions:
- (a) The Option may be exercised during the continuance of an Employees' employment with the Company and / or Subsidiary(ies), associate or a company belonging to the same Group as the Company subject to the provisions of clause 11 and 16.
 - (b) The Options may be exercised by an Employee only by a written/electronic notice (in the form prescribed by the Nomination & Remuneration Committee) to the Scheme Administrator specifying the number of Options to be Exercised. The Option shall be deemed to be exercised when an Employee pays to the Company a consideration equal to the respective Exercise Price of the Option and upon the satisfaction of the tax liability set out in clause 24.
 - (c) As soon as practicable on receipt of the notice of Exercise of Options and receipt of consideration thereof, the Scheme Administrator shall make the necessary arrangement for allotment of Shares in lieu thereof.

Notwithstanding anything contained herein or elsewhere in this plan, it is hereby clarified that the Company is under no obligation to either buy the Shares or pay any compensation to any Employee under this clause as a result of the inability or unwillingness of the Employee to acquire any Shares, whether due to lack of funds, any restriction under law or otherwise.

- (d) In case, the Employee does not Exercise the Options during the Exercise Period or such earlier date, they will lapse and no rights will accrue after that date.
- (e) In case the Vested Options are not exercised by the Grantee within the Exercise Period, the Vested Options will automatically lapse and shall stand cancelled without any obligations whatsoever on the Company and no rights in that regard will accrue to the Grantee after such date.

13. Non Resident Employees

Grant of Options, if any, under the Scheme to Employees who are non-residents shall be in compliance with the provisions of the prevailing laws of the jurisdiction of such Employees subject to the same being in accordance with the provisions of the Foreign Exchange Management Act, 1999, Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and any other statutory provisions under Applicable Laws.

14. Lock-in period on sale of shares exercised under the Scheme

The Shares allotted upon Exercise of Options granted under the Scheme are not subject to any lock-in period and upon Listing with the stock exchanges, they are freely tradable in the stock market.

Provided that Shares allotted to Eligible Employees, whether currently an Employee or not, under ESOP 2019 prior to an IPO, if the Company has made full disclosures with respect to such Options in the offer documents to be filed with the SEBI and the stock exchanges, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, will be exempt from the one year lock-in requirement from the date of allotment in the IPO, as specified in Regulation 17 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

15. Variation of the terms of ESOP 2019

The Company shall not vary the terms of the ESOP 2019 in any manner, which may be detrimental to the interests of the Employees. However, the Company shall be entitled to vary the terms of the ESOP 2019 to meet any regulatory requirements.

The Company may by special resolution in a general meeting vary the terms of ESOP 2019 offered pursuant to an earlier resolution of a general body but not yet exercised by an Employee provided such variation is not prejudicial to the interests of the Option Holders. Post the Listing, the Board or the Nomination and Remuneration Committee may revise any of the terms and conditions of this Plan to meet any regulatory requirement without seeking shareholders' approval.

The notice for passing special resolution for variation of terms of ESOP 2019 shall disclose full details of the variation, the rationale thereof, details of the Employees who are beneficiary of such variation and such other information as required under Applicable Law.

16. Resignation or Termination of Employment Or Deputation

16.1 If a Grantee's employment with the Company terminates for Cause, then the Options, to the extent not previously exercised, will lapse on the date of such termination of employment.

“Cause” shall mean, as determined by the Nomination & Remuneration Committee, (i) engaging by an Employee in wilful, reckless or grossly negligent misconduct which is determined by the Nomination & Remuneration Committee to be detrimental to the interest of the Company or any of its Affiliates, monetarily or otherwise, or (ii) an Employee pleading guilty to or conviction of a felony, or (iii) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or (iv) employment of an Employee in any other organisation or provision of services by an Employee for any other organisation, or (v) any other reason which is determined by the Nomination & Remuneration Committee to be detrimental to the interest of the Company.

16.2 If a Grantee's employment with the Company terminates due to voluntary resignation on the part of the Grantee, then all Options not vested in the Employee as on the date of termination shall lapse forthwith. The vested Options can be exercised by an Employee prior to the expiry of Exercise Period or within 30 days of date of termination, whichever is earlier. If a Grantee's employment with the Company terminates due to completion of his contract, then all Options which are not vested at the time of such termination shall lapse forthwith. For the purposes of this clause 16.2, employment shall deemed to have terminated on the last day of such Employee's employment with the Company.

16.3 If a Grantee dies while in the employment of the Company, the Granted Options shall forthwith Vest in his legal heirs or nominees; and if a Grantee should suffer total and permanently disability while in the employment of the Company, the Granted Options shall forthwith Vest in him or his legal heirs or designated nominees; and the Options must be exercised as below:

(a) In case of death, within 1 (one) year from the date of death or such extended time provided by the Nomination & Remuneration Committee.

(b) In case of total and permanent disability, within 1 (one) year from the date of total and permanent disability or such extended time provided by the Nomination & Remuneration Committee.

16.4 In the event of a termination of employment for reasons other than those referred in clauses 16.1, 16.2 or 16.3, all Options which have not Vested will lapse forthwith. The Vested Options can be exercised by the Employee prior to the expiry of Exercise Period or such extended period as determined by the Nomination & Remuneration Committee.

16.5 In the event of termination of employment for any reasons whatsoever, Company or any other agency appointed by the Company shall have the right but not the obligation to buy at any time on or after the cessation of employment of the Grantee with the Company, up to all Shares held by the Grantee through Exercise of Options, at the price equal to the fair value per Share as on the Valuation Date immediately preceding the date on which the Company exercises its right under this Clause. For this purpose, Company shall serve on the Participant a purchase notice. Payment of the price as aforesaid shall be subject to all applicable withholding tax and payment by the Participant of all taxes and levies applicable to the Company or the Participants in respect of the gains to the Participant. This provision shall cease to be in force on and from the date on which the subscription list for Shares of the Company are open, in case of an IPO by the Company.

- 16.6 In the event that an Employee who has been Granted Options under the Scheme is transferred or deputed to an Affiliate prior to Vesting or Exercise, the Vesting and Exercise as per the terms of Grant shall continue in case of such transferred or deputed Employee even after the transfer or deputation, if permitted under the Applicable Laws.

17. Vesting and Exercise of Options in case of Employees on long leave

The period of leave shall not be included in determining the Vesting Period in the event an Employee is on a sabbatical. In all other conditions, including earned leave, maternity leave, sick leave, period of lay-off, as per Applicable Law, and the leave taken for any temporary disablement due to accident during or in the course of his employment, the period of leave shall be included to calculate the Vesting Period.

A Grantee on leave other than a sabbatical can Exercise his/her Option as per the terms of the Award Agreement.

18. Non-Transferability

Each Option granted under the Scheme shall by its terms be non-transferable by the Grantee (except by will or the laws of descent and distribution), and each Option shall be exercisable during the Grantee's lifetime only by the Grantee.

The Option granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

19. Changes in Capital

- (a) The existence of the Scheme and any Award Agreement hereunder shall not affect, in any way, the right or power of the Board or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any merger or consolidation of the Company or its Subsidiary, any issue of debt, preferred or prior preference stock ahead of or affecting stock, the authorization or issuance of additional Shares, the dissolution or liquidation of the Company or its Subsidiaries, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.
- (b) Upon changes in the outstanding Shares by reason of a stock dividend, stock split, reverse stock split, sub-division, recapitalization, reclassification, merger, consolidation (whether or not the Company is a surviving corporation), combination or exchange of Shares, separation, or reorganization, or in the event of an extraordinary dividend, "spin-off", liquidation, other substantial distribution of assets of the Company or acquisition of property or stock or other change in the capital of the Company, or the issuance by the Company of Shares without receipt of full consideration thereof, or rights or securities exercisable, convertible or exchangeable for Shares of such capital stock, or any similar change affecting the Company's capital structure, the aggregate number, class and kind of Shares available under the Scheme as to which Options may be granted and the number, class and kind of Shares under each outstanding Option and the Exercise Price per Share applicable to any such Option shall be appropriately adjusted by the Board along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under the Scheme or with respect to any outstanding Options or

otherwise necessary to reflect any such change, in a manner that the Board and / or the Nomination & Remuneration Committee deems fit.

(ii) Fractional Shares resulting from any adjustment in Options pursuant to clause 19(b)(i) shall be aggregated until, and eliminated at, the time of Exercise of the affected Options. Notice of any adjustment shall be given by the Nomination & Remuneration Committee to each Participant whose Options have been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all the purposes of the Scheme.

20. Change in Control

In the event of

- (i) a stock sale, merger, consolidation, combination, reorganization or other transaction resulting in less than 50% of the combined voting power of the surviving or resulting entity being owned by the shareholders of the Company immediately prior to such transaction and resulting in cessation of control of the existing shareholders of the Company; and
- (ii) the liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets or business of the Company (other than, in the case of either clause (i) or (ii) above, in connection with any Employee benefit Scheme of the Company or a Subsidiary),

the Board may take such steps, as it deems fit in its discretion, and on such terms and conditions as it deems appropriate, including but not limited to accelerated Vesting of Options and/or prescribed mandatory Exercise of Options. No Grantee shall have any right to prevent the consummation of any of the foregoing acts affecting the number of Shares available to such Grantee. Notwithstanding the foregoing adjustments, in no event may any Option be exercised after ten years from the date it was originally granted.

21. Corporate Action

Notwithstanding anything contained under this Scheme, the Nomination & Remuneration Committee shall, inter alia, formulate the detailed terms and conditions of the ESOP 2019 including the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as bonus issues, merger, sale of division and others.

In this regard following shall be taken into consideration by the Nomination & Remuneration Committee:

- (a) the number and the price of the Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action;
- (b) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Grantee.

In the event of any corporate action involving the Company (including a change in control), the Board reserves the right for any accelerated Vesting and/or for prescribing mandatory Exercise of Options, failing which all the outstanding Options (whether Vested Options or Unvested Options) shall automatically lapse and be forfeited, notwithstanding any Exercise Period.

22. Rights as a Shareholder

The Grantee shall have no rights as a shareholder of the Company with respect to the Shares subject to an Award Agreement until such time as the Exercise Price relating to such Option has been paid and the Shares have been issued and delivered to him or her.

23. No Right of Employment

The Grant of Options under this Scheme does not create a right to continued employment with the Company or its Subsidiaries. Nothing in this Scheme or Award Agreement shall interfere with or limit in any way the right of the Company or Subsidiary to terminate the employment of the Grantee at any time.

24. Tax Liability

- (a) In the event of any tax liability, including any tax liability arising on account of change in the tax laws relating to the ESOP 2019, arising on account of the Grant of Options and /or allotment of the Shares to an Employee, the liability shall be that of the Employee alone and the Company shall be indemnified to the extent of applicable taxes, if any, levied at any point of time upon the Company in this regards.
- (b) No Shares shall be issued to the Grantee or beneficiary, on Exercise of the Options under this Scheme unless appropriate taxes as required under the applicable tax laws, are discharged. Such taxes may either be deducted from the Grantee's salary and / or can be separately discharged by the Grantee by giving a cheque / demand draft/online payment to the Company for the said amount.
- (c) The Company shall have the right to deduct from the salary, for any obligation towards tax deduction arising in connection with the Option or the Shares acquired upon the Exercise thereof.
- (d) The Company shall have no obligation to deliver Shares or to release Shares in pursuance of the Option until the Company's tax deducting obligations, if any, have been satisfied by the Grantee.
- (e) All tax liabilities arising on disposal of the Shares after Exercise would be handled by the Employee.

25. Right of First Refusal

- (a) Provided that the Shares of the Company are not listed, in the event the Eligible Employee proposes to transfer any or all of the Shares ("**ROFR Shares**"), the Company or any agency appointed by the Company ("**ROFR Purchaser**") shall have right of first refusal ("**ROFR**") in relation to transfer of such ROFR Shares. Pursuant to the ROFR, the ROFR Purchaser shall have the right but no obligation to purchase up to all of the ROFR Shares from the Eligible Employee.

- (b) For the purpose of the ROFR, the Eligible Employee shall send a written notice (“**ROFR Notice**”) to the ROFR Purchaser. The ROFR Notice shall set out the number of Shares proposed to be transferred, offer price per Share (“**ROFR Price**”), details of the proposed purchaser (“**Proposed Transferee**”) and other terms and conditions (“**ROFR Terms**”).
- (c) In the event the ROFR Price and ROFR Terms are acceptable to the ROFR Purchaser, then the ROFR Purchaser shall within a period of 30 (thirty) days from the date of ROFR Notice, send an acceptance of ROFR Price and ROFR Terms to the Eligible Employees in writing (“**Acceptance Notice**”). Within 60 (sixty) days from the date of Acceptance Notice, the Eligible Employees shall sell and the ROFR Purchaser or any other person nominated by the Promoter(s), shall purchase upto all of the ROFR Shares, at the ROFR Price and the ROFR Terms, free from all encumbrances. The aggregate ROFR Price for ROFR Shares shall be remitted by the ROFR Purchaser or by such person nominated by the Promoter(s) to the Eligible Employees and the Eligible Employee shall transfer the ROFR Shares to the ROFR Purchaser or to such person nominated by the Promoter(s) for the said consideration.
- (d) In the event the ROFR Purchaser fails to exercise the ROFR or refuses to exercise ROFR, then the Eligible Employees shall have the right to transfer the ROFR Shares only to the Proposed Transferee and provided that such Proposed Transferee is not a competitor, at the ROFR Price or price higher than the ROFR Price and on the ROFR Terms or terms better than the ROFR Terms. It is agreed that the Transfer of ROFR Shares to the Proposed Transferee in pursuance to this clause shall be consummated within a period of 60 (sixty) days from the refusal or non Exercise of ROFR by the ROFR Purchaser, failing which the Eligible Employees shall be required to comply with the provisions of this clause again.
- (e) Nothing in Clause 25(a) to (d) shall apply in case the Equity Shares are listed pursuant to an IPO.

26. Interpretation and Amendments

Subject to Applicable Laws, the Nomination & Remuneration Committee may make such rules and regulations and establish such procedures for the administration of the Scheme, as it deems appropriate. In the event of a disagreement as to the interpretation of this Scheme or of any rule, regulation or procedure or as to any question, right or obligation arising from or related to the Scheme, the decision of the Nomination & Remuneration Committee shall be final.

27. Notices

All notices under the Scheme shall be in writing, and if to the Company, shall be delivered to the Scheme Administrator of the Company or mailed to its principal office addressed to the attention of the Company Secretary and if to the Employee shall be delivered personally or mailed to the Employee at the address appearing in the payroll records of the Company. Such address may be changed at any time by a written notice to the other party.

28. Termination of the Scheme

The Scheme shall terminate upon the earliest to occur of the following:

- (a) The effective date of a resolution adopted by the Nomination & Remuneration Committee terminating the Scheme;
- (b) The date all Shares subject to the Scheme are delivered pursuant to the Scheme's provisions; or
- (c) 8 years from the date the Scheme is approved by the Company's shareholders.

No Options may be granted under the Scheme after the earliest to occur of the events or dates described in the foregoing paragraphs (a) through (c) of this clause but Options granted heretofore shall continue in force beyond that date pursuant to these terms.

No such termination of the Scheme shall affect the previously accrued rights of any Grantee hereunder and all Options previously granted hereunder shall continue in force and in operation after the termination of the Scheme, except as they may be otherwise terminated in accordance with the terms of the Scheme or the Award Agreement.

29. Accounting and Disclosures

- 29.1. The rules/regulations to be followed by the Company shall include applicable accounting standards / Guidance Note on Accounting for Employee Share-based as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein.
- 29.2. Upon Listing, the Company will also make the necessary disclosures under the SEBI SBEB & SE Regulations, 2021 at the time of Grant, including as provided in Part G of Schedule I of the SEBI SBEB & SE Regulations

30. Other Terms

- 30.1 Options granted pursuant to the Scheme shall contain such other terms, provisions and conditions (which need not be identical) not inconsistent herewith as shall be determined by the Nomination & Remuneration Committee.
- 30.2 Notwithstanding anything to the contrary contained herein or in any Award Agreement, the Company shall not be required to issue Shares if the issuance violates any provision of any law or regulation of any government authority or Companies Act or any other applicable regulation.
- 30.3 Participation in this Scheme shall not be construed as a guarantee of return on the Shares purchased from the Options. The risks associated with investment in Shares are that of the Grantee alone. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Grantee alone. The Grantee is encouraged to make considered judgment and seek adequate information/clarifications essential for appropriate decision. It is hereby clarified that the Shares are currently unlisted and according there is no market or liquidity for the Shares. The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to Exercise an Option or sell the Shares. The Company does not make any sort of undertaking that the Shares shall be Listed or that the Shares shall be freely transferable and marketable.

- 30.4 Any dispute that may arise with respect to the ESOP 2019 or its terms shall be submitted for resolution by a sole arbitrator appointed as per the rules of the Mumbai Centre for International Arbitration. The arbitration shall be governed by the MCIA Rules and the Indian Arbitration & Conciliation Act, 1996. The award made by the sole arbitrator shall be binding on both parties. The language of the arbitration shall be English. The venue and seat of the arbitration shall be Chennai.
- 30.5 The ESOP 2019 shall be governed and construed in accordance with the laws of India in relation to any legal action or proceedings to enforce the ESOP 2019. Subject to clause 30.4 above, the parties irrevocably submit to the exclusive jurisdiction of any competent courts situated at Chennai for interim reliefs, injunctions and enforcement of arbitral award, and waive any objection to such proceedings on grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum.
- 30.6 Any breach or threatened breach by the Employee of any of the obligations set forth in ESOP 2019 may result in significant and continuing injury and irreparable harm to the Company, the monetary value of which would be impossible to establish. Therefore, the Company shall be entitled to injunctive relief in a court of appropriate jurisdiction with respect to such provisions.
- 30.7 In the event any one or more of the provisions contained in this ESOP 2019 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESOP 2019, but this ESOP 2019 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and this ESOP 2019 shall be carried out as nearly as possible according to its original terms and intent.
- 30.8 Employees must keep the details of this ESOP 2019 and all other documents in connection thereto, strictly confidential and must not disclose the details with any of their peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its Affiliates or any third party. In case a Grantee is found in breach of this confidentiality clause, the Company has undisputed right, in its discretion, to terminate any agreement with such Grantee and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality clause shall be final, binding and cannot be questioned by the Grantee. In case of non-adherence to the provisions of this clause, the Committee will have the authority to deal with such cases as it may deem fit.

Award Agreement (in stamp paper)
Star Health and Allied Insurance Co Ltd
Employees Stock Option Plan 2019
(Private & Confidential)

Date _____ 20xx

To,

Mr./Ms

Dear [●],

You have been selected to be a participant in the Employees Stock Option Plan 2019 (hereinafter referred to as “**ESOP 2019**” or “**Scheme**”) of Star Health and Allied Insurance Co Ltd (“**Company**”), as specified below. Congratulations on receiving this offer (hereinafter referred to as “**Award Agreement**”), which comes to you in recognition of your continuous endeavour towards improving the business results of the Company.

Particulars of Options (Notice of option grant)

Number of Options Granted	
Date of Grant	[Insert Date]
Vesting Schedule and Conditions	Options i.e. [insert # of options] shall vest on following schedule: <input type="checkbox"/> 20% of the Options will vest on 1 st anniversary of Grant (date) <input type="checkbox"/> 20% of the Options will vest on 2 nd anniversary of Grant (date) <input type="checkbox"/> 20% of the Options will vest on 3 rd anniversary of Grant (date) <input type="checkbox"/> 20% of the Options will vest on 4 th anniversary of Grant (date) <input type="checkbox"/> 20% of the Options will vest on 5 th anniversary of Grant

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED - EMPLOYEE STOCK OPTION PLAN 2019

Exercise Price per Option	Rs. XXX
Exercise Period	All Options must be exercised within seven (7) years from the Grant Date.
Mode of settlement	Upon Exercise, each Option will be settled for one share of the Company.

Please refer to the ESOP 2019 for the detailed terms and conditions of the award, attached herewith as Appendix [●] before accepting the Grant of Options under this Award Agreement. If, after careful study of the accompanying ESOP 2019, you chose to accept the Grant, please sign below to signify your acceptance of this Grant. Also sign on the enclosed Award Agreement and return the documents to Mr. [●] on or before [●] <Mention the last date for acceptance>.

We are confident that you will endeavour to add value to the business with a sense of ownership and commitment.

All capitalised terms which are not defined shall have the meaning set forth in the ESOP 2019.

. For,

Star Health & Allied Insurance Co Ltd.

Authorised Signatory

Participant's Signature

Encl.: ESOP 2019

Option Exercise Form

Nomination Form

Annexure B: Exercise Form

Date

To,

The Scheme Administrator,

Star Health and Allied Insurance Co Ltd

Employees Stock Option Plan 2019

Name of the Grantee :

Address :

Usual Signatures :

PAN No. :

Dear Sir/Madam,

I hereby elect to Exercise the following Options(s):

Grant Date	Number of Options granted	Number of Vested Options	Number of Vested Options already Exercised	Number of Vested Options now Exercised	Balance Vested Options	Balance Unvested Optio

Please find enclosed the cheque for Rs. _____/- being the payment for the Options Exercised vide this Letter.

Sincerely,

(Participant)

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED - EMPLOYEE STOCK OPTION PLAN 2019

Annexure C: Exercise Form

Date

To,

The Scheme Administrator,

Star Health and Allied Insurance Co Ltd Employees Stock Option Plan 2019

Dear Sir/Madam,

I, _____, a participant of Employees Stock Option Plan, hereby appoint, under the terms of Clause 16.3 of the Plan, the following persons as my nominees.

Name & Address	Relationship	Date of Birth	Share of Vested Options (expressed as % of total Vested Options)

Signed at _____ (location) _____, on _____ (date) _____.

Grantee's name _____

Witness 1:

Signature : _____

Name : _____

Address : _____

Witness 2:

Signature : _____

Name : _____

Address : _____

Sincerely,

(Grantee Name & Signature)

ANNEXURE TO THE POSTAL BALLOT NOTICE

**Star Health and Allied Insurance Company Limited
Employee Stock Option Plan, 2021**

A. Salient features of the Scheme

This Employee Stock Option Plan 2021 (hereinafter referred to as “**ESOP 2021**” or “**Scheme**”) is formulated pursuant to provisions of the Companies Act (*defined hereinafter*), the SBEB & SE Regulations (*defined hereinafter*) and which has been approved and recommended by the Nomination and Remuneration Committee on [10-11-2021] and approved by the Board pursuant to the resolution passed at its meeting held on [11-11-2021] and by the shareholders at the extra ordinary general meeting of the Company held on [11-11-2021] and in accordance with the provisions of the Companies Act. Wherever applicable, the Scheme shall be in accordance with the regulations prescribed by IRDAI and / or any other regulatory authority as applicable to the Company and shall not contravene any other law, for the time being in force that is material for giving effect to such Scheme.

The Scheme applies to the Eligible Employee (*defined hereinafter*). **Definitions and Interpretations**

- 1.1. The terms defined in this section shall, for all purposes of this Scheme, have the meanings herein specified. Under the Scheme, where the context so admits, the masculine shall include the feminine and the singular shall include the plural.
- (a) “**Applicable Law**” means every law relating to Options, to the extent applicable, including and without limitation to the Companies Act (*defined hereinafter*) read with the Companies (Shares and Debentures) Rules 2014, the Securities and Exchange Board of India Act, 1992; SEBI SBEB & SE Regulations (*defined hereinafter*), Foreign Exchange Management Act, 1999, regulations prescribed by IRDAI, Insurance Act, 1938, Foreign Exchange Management (Non-debt Instruments) Rules, 2019 each as amended from time to time, all relevant tax, securities, exchange control, corporate laws, or amendments thereof including any circular, notification issued thereunder, or regulations promulgated by the Reserve Bank of India, as applicable, and guidelines issued by the Government of India;
 - (b) “**Award Agreement**” means a written Award Agreement between the Eligible Employee and the Company, confirming the Grant of the Option and evidencing the terms and conditions upon which they may be exercised and sold;
 - (c) “**Board**” means the board of directors of the Company or any committee thereof and where the context so requires;
 - (d) “**Company**” means Star Health and Allied Insurance Company Limited and its successor or assigns;
 - (e) “**Companies Act**” means the Companies Act, 2013, or any modifications thereto from time to time, or rules made thereunder;
 - (f) “**Committee**” or “**Nomination & Remuneration Committee**” means the Committee of the Board of Directors which shall have the functions of, inter-alia formulating, implementing, supervising and administering the Scheme;
 - (g) “**Employee**” means;

A. Until the Listing of the Company:

1. a permanent employee of the Company who has been working in India or out of India; or
2. a director of the Company, whether a whole-time director or not but excluding an independent director; or
3. an employee as defined in sub-clauses (1) or (2) of a Subsidiary in India, or outside India, or of a Holding Company of the Company,

But does not include:

- (a) an employee who is a Promoter or a person belonging to the Promoter Group; or
- (b) a director who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company.

B. Post the Listing of the Company:

1. an employee as designated by the Company, who is exclusively working in India or outside India; or
2. a Director of the Company, whether a whole time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an independent director; or
3. an employee as defined in sub-clauses (1) or (2) above, of a company belonging to the same Group as Company including Subsidiary or its associate company, in India or outside India, or of a Holding Company of the Company,

But does not include:

- (a) an employee who is a Promoter or belongs to the Promoter Group;
- (b) a Director who either by himself or through his Relatives or through any body corporate, directly or indirectly holds more than ten percent of the outstanding Equity Shares of the Company;

- (h) **“Eligible Employee”** means the Chairman & CEO of the Company, who is an Employee;
- (i) **“Equity Shares”** or **“Shares”** mean equity shares of the Company of face value of Rs. 10 (Rupees Ten only) each;
- (j) **“Exercise”**, in relation to Options, means, making of an application by the Eligible Employee to the Company for issue of Shares against vested Options in pursuance of ESOP 2021;
- (k) **“Exercise Notice”** means the notice by which the Eligible Employee requests the

Company to allot Shares pursuant to the Options vested in him under the Grant and the ESOP 2021;

- (l) **“Exercise Period”** means a period after Vesting within which the Eligible Employee should Exercise his right to apply for Shares against the vested Option in pursuance of the ESOP 2021. The exercise period for the Grant shall be disclosed in the Award Agreement;
- (m) **“Exercise Price”** means the amount of Rs. 10 (Rupees Ten only) payable by the Eligible Employee for exercising the Options granted to him in pursuance of ESOP 2021, provided that the exercise price shall be in compliance with the accounting standards specified under the SEBI SBEB & SE Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued by Institute of Chartered Accountants of India in that regard from time to time;
- (n) **“Grant”** means the process whereby the Nomination & Remuneration Committee passes a resolution granting a specified number of Options to the Eligible Employee under ESOP 2021;
- (o) **“Grant Date”**, with respect to any Options means the date on which the Nomination & Remuneration Committee approves the Grant of such Options pursuant to the ESOP 2021;
- (p) **“Grantee”** means the Eligible Employee who has been granted an Option under the Scheme and signed his acceptance thereof by way of an Award Agreement in accordance with the terms and conditions set forth in the Scheme;
- (q) **“Group”** shall have the same meaning assigned to it under the SEBI SBEB & SE Regulations;
- (r) **“Holding Company”** has the same meaning under the Companies Act, whether incorporated in India or outside India;
- (s) **“IPO”** means an initial public offering of the Shares by the Company on any recognized stock exchange(s)
- (t) **“Listing”** means listing of the Shares on any recognized stock exchange and includes IPO preceding the listing of Shares;
- (u) **“Option”** means the Option given to the Eligible Employee that gives him a right to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price. This is a right but not an obligation granted to the Eligible Employee under the Scheme to apply for and be allotted Shares of the Company at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting. Each Option granted would represent the right to apply for 1 (one) Equity Share of the Company.
- (v) **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- (w) **“Promoter Group”** shall have the same meaning assigned to it under the

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended:

- (x) **“Relative”** shall have the meaning ascribed to it under section 2(77) of the Companies Act;
- (y) **“Scheme Administrator”** shall have the meaning ascribed to it in Clause 4.6;
- (z) **“SEBI”** means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992;
- (aa) **“SEBI SBEB & SE Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time;
- (bb) **“Subsidiary”** means any present or future subsidiary as defined under the Companies Act;
- (cc) **“Unvested Option”** means an Option granted, in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to Exercise the Option;
- (dd) **“Valuation Date”** means 31st March of the immediately preceding financial year.
- (ee) **“Vesting”** means the process by which the Eligible Employee becomes entitled to receive the benefit of a Grant pursuant to the ESOP 2021;
- (ff) **“Vesting Period”** means the period, from the Grant Date till the date on which the Grantee becomes eligible to Exercise the Options; and
- (gg) **“Vesting Condition”** means any performance condition other than time condition which may be determined by the Nomination & Remuneration Committee and the Options granted may be in part or in full vest depending on achievement of such performance condition.

All other expressions shall have the meaning ascribed to it in the Securities and Exchange Board of India Act, 1992 or the Securities Contract (Regulation) Act, 1956, or Companies Act or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modification or re-enactment thereof, as the case may be.

1.2. Interpretations

In this document, unless otherwise stated or intention appears:

- (a) words denoting the singular shall include the plural and vice versa;
- (b) the words importing a gender include every gender;
- (c) heading and bold type face are only for convenience and shall not affect the interpretation hereof;
- (d) references to the word “include” or “including” shall be construed without

limitation; and

- (e) references to any statute or statutory provision or rule or regulation shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

2. Purposes

The purpose of the Scheme is:

The Scheme intends to make Eligible Employee a party to the value creation journey by aligning his incentive to the long-term performance of the Company.

3. Quantum of Shares subject to the Scheme

- (a) The maximum number of Options available for Grant under the ESOP 2021 shall be 25, 00,000 (twenty five lakh). Each Option when exercised will be converted into one Share of the Company.
- (b) Where Shares are issued consequent upon Exercise of an Option under the Scheme, the maximum number of Shares that are subject to Options referred above shall stand reduced to the extent of such Shares issued.
- (c) The maximum number of Options that may be granted to the Eligible Employee shall be decided by the Committee. The Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to the Eligible Employee.
- (d) If the number of Options that may be offered to the Eligible Employee, during any one year, shall be equal to or more than 1% (one percent) of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of Grant of Options, then the Company shall take prior approval from shareholders of the Company by way of a special resolution.
- (e) In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares available for being issued under the Scheme as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation.

4. Scheme Administration

- 4.1. The Scheme shall be administered by the Nomination & Remuneration Committee constituted by the Board.
- 4.2. The Board shall have the power to reconstitute the Nomination & Remuneration Committee from time to time.
- 4.3. The Nomination & Remuneration Committee shall, *inter alia*, formulate the detailed terms and conditions of the Scheme which shall include the provisions as specified under

Applicable Law and shall ensure due implementation of the same. The Committee shall determine the detailed terms and conditions of the Options, including but not limited to the following (in general or on a case by case basis):

- (a) The conditions under which the Options may vest in Employee and may lapse in case of termination of employment, or termination of directorship for Cause or misconduct;
- (b) Determining the Exercise Period, and that Option would lapse on failure to Exercise the Option within the Exercise Period;
- (c) The specified time period within which the Employee shall Exercise the vested Options in the event of termination or resignation;
- (d) The right of a Grantee to Exercise all the Options vested in him/her at one time or at various points of time within the Exercise Period;
- (e) The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, *inter alia*, be taken into consideration by the Nomination and Remuneration Committee:
 - (i) the number and price of Options shall be adjusted in a manner such that total value;
 - (ii) to the Employee of the Options remains the same after the corporate action;
 - (iii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is/are granted such Options;
- (f) Determining the Grant, Vesting and Exercise of Options in case the Eligible Employee is on long leave, sick leave, unpaid leave, etc.;
- (g) The procedure for funding the Exercise of Options;
- (h) The procedure for buy-back of specified securities issued under SEBI SBEB & 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-back in a financial year;
- (i) Determining the Grant Date;
- (j) Determining the Vesting Period and the criteria, conditions and schedule for Vesting of the Options including the conditions under which vesting shall be accelerated;
- (k) Determining the conditions and restrictions for Exercise;

- (l) Determining the treatment of Unvested Options upon termination of employment or directorship;
- (m) Determining any alteration, amendment, modification, addition, deletion or variation of any terms and conditions of any Option granted under the ESOP 2021;
- (n) Determining the amount to be paid to any Grantee in case of any mandatory forfeiture or surrender of vested Options;
- (o) Determining the conditions, restrictions etc. on the Shares issued under this ESOP 2021 including any mandatory transfer, contribution, and the process and mechanism thereof;
- (p) Determining the forms, writings and/or agreements for use in pursuance of the ESOP 2021;
- (q) Determining the method which the Company shall use to value the Options;
- (r) The procedure for cashless Exercise of Options, in accordance with Applicable Laws; and
- (s) Taking such other steps as may be required for implementation and/or administration of this ESOP 2021 including delegation of the above authority to any subcommittee of Directors/officials of the Company.

4.4. The Nomination & Remuneration Committee shall have power to administer the Scheme, prescribe or amend any rule and correct any defects in the Scheme.

4.5. The Grantee shall be provided a copy of this Scheme and a copy of the Award Agreement.

4.6. The HR Head of the Company shall be the administrator of the Scheme under the control of the Nomination & Remuneration Committee (the “**Scheme Administrator**”), who shall maintain such records and data as may be required to administer the Scheme.

4.7. The Scheme Administrator shall provide the Grantee financial statements of the Company on annual basis. Grantee shall have access to these statements through intranet and the Company website.

4.8. The Nomination & Compensation Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its Employee, as applicable.

5. Term of the Scheme

The Scheme shall be deemed to have come into force on the date of approval by the Shareholders. The Scheme shall terminate after all of the Options available for issuance under the Scheme have been granted, vested and exercised.

6. Terms and Conditions of Options

6.1. Options shall be subject to the following terms and conditions and to such other terms and

conditions (not inconsistent with the Scheme) as shall from time to time be approved by the Nomination & Remuneration Committee and incorporated in the Scheme.

- (a) It is clearly understood that the Grant or Vesting of any Options to the Eligible Employee, *per se*, does not assure accrual of a benefit or profit.
- (b) The Vesting and Exercise of Options shall be subject to receipt of relevant approval in terms of the Applicable Laws (if any).
- (c) Upon completion of the Vesting Period, the Grantee shall have the right to purchase Shares equivalent to maximum of the number of Options held from the Company. Even after the completion of the Vesting Period, the Grantee will not be entitled to any dividends, rights issue or bonus Shares issued until such time as the Options are exercised and Shares issued thereunder are allotted to the Grantee.

7. Award Agreement

The Grant of Options shall be confirmed by an Award Agreement (in the form prescribed by the Nomination & Remuneration Committee) which shall be executed by the Scheme Administrator and the Eligible Employee at the time of such Grant and shall be in compliance with Applicable Law. The Award Agreement shall expressly state or incorporate by reference, the provisions of the Scheme.

8. Vesting Period

- 8.1. Subject to Applicable Laws, Vesting of the Options granted under the ESOP 2021 shall be one year from the Grant Date. Notwithstanding anything contained in this Clause, or the Scheme, in case of death or permanent disability, the minimum Vesting Period of one year shall not apply after the Listing of the Company. The Vesting Period and schedule shall be provided in the Award Agreement with the Eligible Employee. Vesting of Options shall be subject to continued employment of the Grantee with the Company, except as provided under the Applicable Law.
- 8.2. However, in the event of the death of the Eligible Employee while in employment, all the Options granted to him till such date shall, whether or not such Options were exercisable on the date of the Grantee's death, forthwith vest in the legal heirs or nominees of the deceased Eligible Employee on that date and can be exercisable by them within the time period stated in Clause 13. Similarly in the event of total and permanent disability while in employment, all the Options granted to the Eligible Employee as on the date of such total permanent disability shall vest, whether or not such Options were exercisable on the date of the Grantee's total and permanent disability, forthwith in him or his legal heirs, or designated nominees on that date, and can be exercisable by him or by his legal heirs or designated nominees, as the case maybe, within the time period specified in Clause 13.
- 8.3. In case of retirement of the Eligible Employee, all the Options granted to him till the retirement date shall, whether or not such Options were exercisable on the date of the Grantee's retirement, shall forthwith vest on the Eligible Employee on that date and can be exercisable by him within 1 (one) year from the date of retirement or such extended time provided by the Nomination & Remuneration Committee. After Listing, the Options granted which have not vested, will not expire, and continue to vest in accordance with respective Vesting schedules as per Company's policies, or can be subject to accelerated

Vesting within the time period as may be specified by the Committee.

- 8.4. In a case where Options are granted by a company under its employee' stock option scheme in lieu of Options Granted to the Eligible Employee under the ESOP 2021 by the Company, which has merged or amalgamated with the first mentioned company, the period during which the Options granted by the Company were held by the Eligible Employee upon Grant shall be adjusted against the minimum Vesting Period as mentioned above.

9. Exercise of Options

- 9.1. The Eligible Employee has the right to convert any number of his vested Options into Shares in full or in tranches at any time during the Exercise Period subject to the following conditions:

- (a) The Option may be exercised during the continuance of the Eligible Employee' employment with the Company and / or Subsidiary(ies), associate or a company belonging to the same Group as the Company subject to the provisions of Clause 8 and Clause 13.
- (b) The Options may be exercised by the Eligible Employee only by way of an Exercise Notice (in the form prescribed by the Nomination & Remuneration Committee) to the Scheme Administrator specifying the number of Options to be Exercised. The Option shall be deemed to be exercised when the Eligible Employee pays to the Company a consideration equal to the respective Exercise Price of the Option and upon the satisfaction of the tax liability set out in Clause 20.
- (c) As soon as practicable on receipt of the Exercise Notice and receipt of consideration thereof, the Scheme Administrator shall make the necessary arrangement for allotment of Shares in lieu thereof.

Notwithstanding anything contained herein or elsewhere in this Scheme, it is hereby clarified that the Company is under no obligation to either buy the Shares or pay any compensation to the Eligible Employee under this Clause as a result of the inability or unwillingness of the Eligible Employee to acquire any Shares, whether due to lack of funds, any restriction under law or otherwise.

- (d) In case, the Eligible Employee does not Exercise the Options during the Exercise Period or such earlier date, they will lapse, and no rights will accrue after that date.
- (e) In case the vested Options are not exercised by the Grantee within the Exercise Period, the vested Options will automatically lapse and shall stand cancelled without any obligations whatsoever on the Company and no rights in that regard will accrue to the Grantee after such date.

10. Non Resident Employee

Grant of Options, if any, under the Scheme to the Employee, if he becomes a non-resident, then such Grant, Vesting and Exercise shall be in compliance with the provisions of the prevailing laws of the jurisdiction of such Employee subject to the same being in accordance with the provisions of the Foreign Exchange Management Act, 1999, Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and any other statutory

provisions under Applicable Laws.

11. Lock-in period on sale of shares exercised under the Scheme

The Shares allotted upon Exercise of Options granted under the Scheme are not subject to any lock-in period and upon Listing, they are freely tradable in the stock market.

Provided that Shares allotted to Eligible Employee, whether currently an Employee or not, under ESOP 2021 prior to an IPO, if the Company has made full disclosures with respect to such Options in the offer documents to be filed with the SEBI and the stock exchanges, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, will be exempt from the one year lock-in requirement from the date of allotment in the IPO, as specified in Regulation 17 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

12. Variation of the terms of ESOP 2021

The Company shall not vary the terms of the ESOP 2021 in any manner, which may be detrimental to the interests of the Eligible Employee. However, the Company shall be entitled to vary the terms of the ESOP 2021 to meet any regulatory requirements.

The Company may by special resolution in a general meeting vary the terms of ESOP 2021 offered pursuant to an earlier resolution of a general body but not yet exercised by the Eligible Employee provided such variation is not prejudicial to the interests of the Grantee. Post the Listing, the Board or the Nomination and Remuneration Committee may revise any of the terms and conditions of this Scheme to meet any regulatory requirement without seeking shareholders' approval.

The notice for passing special resolution for variation of terms of ESOP 2021 shall disclose full details of the variation, the rationale thereof, details of the Employee who are beneficiary of such variation and such other information as required under Applicable Law.

13. Death or Disability

13.1. If a Grantee dies while in the employment of the Company, the Granted Options shall forthwith vest in his legal heirs or nominees; and if a Grantee should suffer total and permanent disability while in the employment of the Company, the Granted Options shall forthwith vest in him or his legal heirs or designated nominees; and the Options must be exercised as below:

- (a) In case of death, within 1 (one) year from the date of death or such extended time provided by the Nomination & Remuneration Committee.
- (b) In case of total and permanent disability, within 1 (one) year from the date of total and permanent disability or such extended time provided by the Nomination & Remuneration Committee.

14. Vesting and Exercise of Options in case of long leave

The period of leave shall not be included in determining the Vesting Period in the event the Eligible Employee is on a sabbatical. In all other conditions, including earned leave,

maternity leave, sick leave, period of lay-off, as per Applicable Law, and the leave taken for any temporary disablement due to accident during or in the course of his employment, the period of leave shall be included to calculate the Vesting Period.

A Grantee on leave other than a sabbatical can Exercise his/her Option as per the terms of the Award Agreement.

15. Non-Transferability

Each Option granted under the Scheme shall by its terms be non-transferable by the Grantee (except by will or the laws of descent and distribution), and each Option shall be exercisable during the Grantee's lifetime only by the Grantee.

The Option granted to the Eligible Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

16. Changes in Capital

- (a) The existence of the Scheme and any Award Agreement hereunder shall not affect, in any way, the right or power of the Board or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any merger or consolidation of the Company or its Subsidiary, any issue of debt, preferred or prior preference stock ahead of or affecting stock, the authorization or issuance of additional Shares, the dissolution or liquidation of the Company or its Subsidiaries, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.
- (b)
 - (i) Upon changes in the outstanding Shares by reason of a stock dividend, stock split, reverse stock split, sub-division, recapitalization, reclassification, merger, consolidation (whether or not the Company is a surviving corporation), combination or exchange of Shares, separation, or reorganization, or in the event of an extraordinary dividend, "spin-off", liquidation, other substantial distribution of assets of the Company or acquisition of property or stock or other change in the capital of the Company, or the issuance by the Company of Shares without receipt of full consideration thereof, or rights or securities exercisable, convertible or exchangeable for Shares of such capital stock, or any similar change affecting the Company's capital structure, the aggregate number, class and kind of Shares available under the Scheme as to which Options may be granted and the number, class and kind of Shares under each outstanding Option and the Exercise Price per Share applicable to any such Option shall be appropriately adjusted by the Board along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under the Scheme or with respect to any outstanding Options or otherwise necessary to reflect any such change, in a manner that the Board and / or the Nomination & Remuneration Committee deems fit.
 - (ii) Fractional Shares resulting from any adjustment in Options pursuant to Clause 16(b)(i) shall be aggregated until, and eliminated at, the time of Exercise of the affected Options. Notice of any adjustment shall be given

by the Nomination & Remuneration Committee to each Grantee whose Options have been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all the purposes of the Scheme.

17. Change in Control

In the event of

- (i) a stock sale, merger, consolidation, combination, reorganization or other transaction resulting in less than 50% (fifty percent) of the combined voting power of the surviving or resulting entity being owned by the shareholders of the Company immediately prior to such transaction and resulting in cessation of control of the existing shareholders of the Company; and
- (ii) the liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets or business of the Company (other than, in the case of either sub-clause (i) or this sub-clause, in connection with any Employee benefit Scheme of the Company or a Subsidiary),

the Board may take such steps, as it deems fit in its discretion, and on such terms and conditions as it deems appropriate, including but not limited to accelerated Vesting of Options and/or prescribed mandatory Exercise of Options. No Grantee shall have any right to prevent the consummation of any of the foregoing acts affecting the number of Shares available to such Grantee. Notwithstanding the foregoing adjustments, in no event may any Option be exercised after ten years from the Grant Date.

18. Rights as a Shareholder

The Grantee shall have no rights as a shareholder of the Company with respect to the Shares subject to an Award Agreement until such time as the Exercise Price relating to such Option has been paid and the Shares have been issued and delivered to him or her.

19. No Right of Employment

The Grant of Options under this Scheme does not create a right to continued employment with the Company or its Subsidiaries, Associate or Group company. Nothing in this Scheme or Award Agreement shall interfere with or limit in any way the right of the Company or its Subsidiary, associate or Group company to terminate the employment of the Grantee at any time.

20. Tax Liability

The tax liability arising on the Exercise of Options shall be borne in accordance with the Applicable Laws.

21. Interpretation and Amendments

Subject to Applicable Laws, the Nomination & Remuneration Committee may make such rules and regulations and establish such procedures for the administration of the Scheme, as it deems appropriate. In the event of a disagreement as to the interpretation of this

Scheme or of any rule, regulation or procedure or as to any question, right or obligation arising from or related to the Scheme, the decision of the Nomination & Remuneration Committee shall be final.

22. Notices

All notices under the Scheme shall be in writing, and if to the Company, shall be delivered to the Scheme Administrator of the Company or mailed to its principal office addressed to the attention of the Company Secretary and if to the Eligible Employee shall be delivered personally or mailed to the Eligible Employee at the address appearing in the payroll records of the Company. Such address may be changed at any time by a written notice to the other party.

23. Termination of the Scheme

The Scheme shall terminate upon the earliest to occur of the following:

- (a) the effective date of a resolution adopted by the Nomination & Remuneration Committee terminating the Scheme; or
- (b) in accordance with Clause 5 of the Scheme.

No such termination of the Scheme shall affect the previously accrued rights of any Grantee hereunder, except as they may be otherwise terminated in accordance with the terms of the Scheme or the Award Agreement.

24. Accounting and Disclosures

- 24.1. The Company shall conform to the disclosures and the accounting policies and other Applicable Laws as specified and amended from time to time. The Company shall comply with the requirements of the 'Guidance Note on Accounting for Employee Share-Based Payments' or accounting standards as may be prescribed by the Institute of Chartered Accountants of India from time to time.
- 24.2. Upon Listing, the Company will also make the necessary disclosures under the SEBI SBEB & SE Regulations, 2021 at the time of Grant, including as provided in Part G of Schedule I of the SEBI SBEB & SE Regulations

25. Other Terms

- 25.1. Options granted pursuant to the Scheme shall contain such other terms, provisions and conditions (which need not be identical) not inconsistent herewith as shall be determined by the Nomination & Remuneration Committee.
- 25.2. Notwithstanding anything to the contrary contained herein or in any Award Agreement, the Company shall not be required to issue Shares if the issuance violates any provision of any law or regulation of any government authority or Companies Act or any other applicable regulation.
- 25.3. Participation in this Scheme shall not be construed as a guarantee of return on the Shares purchased from the Options. The risks associated with investment in Shares are that of the Grantee alone. Any loss due to fluctuations in the price of the equity and the risks associated

with the investments is that of the Grantee alone. The Grantee is encouraged to make considered judgment and seek adequate information/clarifications essential for appropriate decision. It is hereby clarified that the Shares are currently unlisted and according there is no market or liquidity for the Shares. The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to Exercise an Option or sell the Shares. The Company does not make any sort of undertaking that the Shares shall be Listed or that the Shares shall be freely transferable and marketable.

- 25.4. Any dispute that may arise with respect to the ESOP 2021 or its terms shall be submitted for resolution by a sole arbitrator appointed as per the rules of the Mumbai Centre for International Arbitration. The arbitration shall be governed by the MCIA Rules and the Indian Arbitration & Conciliation Act, 1996. The award made by the sole arbitrator shall be binding on both parties. The language of the arbitration shall be English. The venue and seat of the arbitration shall be Chennai.
- 25.5. The ESOP 2021 shall be governed and construed in accordance with the laws of India in relation to any legal action or proceedings to enforce the ESOP 2021. Subject to Clause 25.4 above, the parties irrevocably submit to the exclusive jurisdiction of any competent courts situated at Chennai for interim reliefs, injunctions and enforcement of arbitral award, and waive any objection to such proceedings on grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum.
- 25.6. Any breach or threatened breach by the Eligible Employee of any of the obligations set forth in ESOP 2021 may result in significant and continuing injury and irreparable harm to the Company, the monetary value of which would be impossible to establish. Therefore, the Company shall be entitled to injunctive relief in a court of appropriate jurisdiction with respect to such provisions.
- 25.7. In the event any one or more of the provisions contained in this ESOP 2021 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESOP 2021, but this ESOP 2021 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and this ESOP 2021 shall be carried out as nearly as possible according to its original terms and intent.

Award Agreement (in stamp paper)
Star Health and Allied Insurance Company Limited
Employee Stock Option Plan 2021
(Private & Confidential)

Date: [●], 2021

To,
Mr. Venkatasamy Jagannathan,
No. 69/32, "Ceebros", Raghava Veera Avenue, Poes
Garden, Chennai 600 086, Tamil Nadu, India

Dear Mr. Jagannathan,

1. You have been selected to be a participant in the Employee Stock Option Plan 2021 (hereinafter referred to as "ESOP 2021" or "Scheme") of Star Health and Allied Insurance Company Limited ("Company"), as specified below. Congratulations on receiving this offer (hereinafter referred to as "Award Agreement"), which comes to you in recognition of your continuous endeavour towards improving the business results of the Company.

2. Particulars of Options

Number of Options Granted	25,00,000
Date of Grant	[Insert Date]
Vesting Schedule	All the Options granted shall vest on [●], i.e. an year from the Grant Date.
Exercise Price per Option	Rs. 10 (Rupees Ten only)
Exercise Period	All Options must be exercised within ten (10) years from the Grant Date.
Mode of settlement	Upon Exercise, each Option will be settled for one share of the Company.

3. The Options shall be exercised by submitting the Exercise Form as set out in Annexure B, along with the Nomination Form as set out in Annexure C of this Award Agreement. The Vesting and exercise of Options shall be subject to receipt of relevant approval in terms of the Applicable Laws (if any).
4. Please refer to the ESOP 2021 for the detailed terms and conditions of the award, attached herewith as Annexure A before accepting the Grant of Options under this Award Agreement. If, after careful study of the accompanying ESOP 2021, you chose to accept the Grant, please sign below to signify your acceptance of this Grant and return the documents to Mr. [●] on or before [●] <Mention the last date for acceptance>.

We are confident that you will endeavour to add value to the business with a sense of ownership and commitment.

All capitalized terms which are not defined shall have the meaning set forth in the ESOP 2021.

For,
Star Health & Allied Insurance Company Limited.

Authorised Signatory

Employee's Signature

Encl.: ESOP 2021
Exercise
Form
Nominati
on Form

Annexure B: Exercise Form

Date: [●]

To,
The Scheme Administrator,
**Star Health and Allied Insurance Company
Limited Employee Stock Option Plan
2021**

Name of the Grantee : Mr. Venkatasamy Jagannathan
Address : No. 69/32, "Ceebros", Raghava Veera Avenue, Poes
Garden, Chennai 600 086, Tamil Nadu, India

Usual Signatures : [●]
PAN No. : [●]

Dear Sir/Madam,

I hereby elect to Exercise the following Options(s):

Grant Date	Number of Options granted	Number of Vested Options	Number of Vested Options already Exercised	Number of Vested Options now Exercised	Balance Vested Options	Balance Unvested Options
[●]	[●]	[●]	[●]	[●]	[●]	[●]

Please find enclosed the cheque for Rs. [●] being the payment for the Options Exercised vide this

Letter. Sincerely,

Mr. Venkatasamy Jagannathan
(Grantee)

Annexure C: Nomination Form

Date

To,
The Scheme Administrator,
Star Health and Allied Insurance Company
Limited Employee Stock Option Plan
2021

Dear Sir/Madam,

I, Venkatasamy Jagannathan, a Grantee under the Employee Stock Option Plan, 2021, hereby appoint, under the terms of Clause 15.3 of the Employee Stock Plan 2021, the following persons as my nominees.

Name & Address	Relationship	Date of Birth	Contact details

Signed at [●] on [●].

Grantee's name: Venkatasamy

Jagannathan Witness 1:

Signature : _____ Name : _____
Address : _____

Witness 2:

Signature : _____ Name : _____
Address : _____

Sincerely,

(Grantee Name & Signature)