

POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENT OR INFORMATION

STYRENIX PERFORMANCE MATERIALS LIMITED

Version 3 August, 2023

Authorised by Board of Directors

Approved on August 10, 2023

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1. Introduction

As per principles laid down under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), Styrenix Performance Materials Limited (the 'Company') is required to formulate criteria for determination of materiality of events or information in relation to the Company, for the purpose of disclosure to the Stock Exchanges. Further, Para B of Part A of Schedule III of the Listing Regulations provides a list of events for which the disclosures have to be made to the stock exchange based on application of certain guidelines on materiality prescribed under the Listing Regulations.

Considering the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 ("LODR Amendments") and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 ("SEBI Disclosure Circular")., the Company has updated this Policy for determining materiality of an event or information for the purpose of disclosures to be made by the Company to the stock exchanges.

The Policy has to be read together with Company's Code of Fair Disclosure & Conduct formulated under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

2. Objective

The objective of this Policy is to assist the employees of the Company in identifying potential material events or information in an objective manner that may originate at the ground level which can be promptly escalated and reported to the authorised Key Managerial Personnel or other officers of the Company, as specified in this Policy, for determining the materiality of the said event or information and for making necessary disclosure to the Stock Exchanges.

3. Scope and applicability of the Policy

The disclosure under this Policy is restricted to the events and information prescribed as under

- (a) Part A of Schedule III of the Listing Regulations
(Events which shall be disclosed **without any application** of the guidelines for materiality as specified in sub-regulation 4 of Regulation 30 of the Listing Regulations);
- (b) Part B of Schedule III of the Listing Regulations
(Events which shall be disclosed **upon application** of the guidelines for materiality referred sub-regulation 4 of Regulation 30 of the Listing Regulations); and
- (c) All Events or Information which in the opinion of the Board of Directors of the Company is 'Material'.

4. Criteria for determination of materiality of events / information

In terms of provisions of Regulation 30(4)(i) of Listing Regulations, the following criteria shall be applied for determination of materiality of events/ information:

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
- (c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - 1) two percent (2%) of turnover, as per the last audited consolidated financial statements of the listed entity;
 - 2) two percent (2%) of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
 - 3) five percent (5%) of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;

Accordingly, any transactions exceeding the lower of i, ii or iii above, with an annual impact in value, will be considered for the above purposes.

- (d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material.

Information should be regarded as “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security or where the fact is likely to have a significant effect on the market price of the security. Materiality must be determined on a case to case basis depending on specific facts and circumstances relation to the information / event.

The qualitative criteria mentioned above shall be used as a guide or reference for determining materiality and arriving at the overall decision on reportability of the event by the Chairman of the Board and / or Key Managerial Personnel.

5. Disclosure of events and information

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and, in any case, not later than the following:

- (i) For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;
- (ii) For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;

- (iii) For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty four) hours from the occurrence of the event or information.

The disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines and in case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.

- (iv) The Company shall also make disclosures of all events or information pertaining to its subsidiary/ies, which are material for the Company, as and when applicable.
- (v) In case an event or information is required to be disclosed by the Company, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, in accordance with this regulation, unless disclosure of such communication is prohibited by such authority.

6. Authorization to determine materiality of disclosures and submission to stock exchanges:

To give effect to the requirements under the Regulations, the Board has authorized a team comprising of the Managing Director, Chief Financial Officer and the Company Secretary to determine jointly the materiality of an event / information and disclose the same to the stock exchanges.

7. Archival

All material events and information disclosed to the Stock Exchanges in terms of this Policy will also remain posted on the website for a minimum period of 5(five) years. Thereafter depending upon the nature, materiality, impact and relevance of the material event, the disclosure of such material event can continue to remain hosted on the Company's website for a period of time as may be decided by the Company from time to time. After the completion of 5 years or such further period as decided by the Company, the material events and information disclosed will be deleted / removed from the website.

8. Limitation and Amendments

In the event of any conflict between the provisions of this policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this policy. However, the amendment / modification of this Policy does not, and shall not, in any manner dilute any of the requirements set out under Regulation 30 read

with Schedule III of the LODR Regulations.

9. Review

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to stakeholders in a timely manner.

10. Disclosure of the policy

This policy will be available on the website of the Company www.styrenix.com in the Corporate Governance section.