

Policy on determination and disclosure of materiality of events and information

Record of Review

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Policy on determination and disclosure of materiality of events and information

1. Introduction

As per regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (here in after referred as **Listing Regulations**), every Listed Company shall frame a policy for determination of materiality of events based on the criteria specified in the regulation. Accordingly, the Board of Directors of Hexaware Technologies Limited (**the “Company”**) has adopted this policy on determination and disclosure of materiality of events and information (**“Policy”**) in line with the provisions of the Listing Regulations and the same is made available on the website of the company.

2. Objective

- a. To ensure that the Company complies with the disclosure obligations to which it is subject as a listed entity as laid down under the Listing Regulations.
- b. To determine materiality of event/information for the purpose of disclosure to stock exchanges as required under Listing Regulations.
- c. To ensure that the information disclosed by the Company is adequate, accurate, timely and transparent.
- d. To provide a framework that supports and fosters confidence in the quality and integrity of material information released by the Company.
- e. To assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the functional heads / Authorized Persons (as defined below), for determining the materiality of the said event or information and for making necessary disclosures to the stock exchanges.

3. Definition:

- a. “Board” shall mean the Board of Directors of Hexaware Technologies Limited.
- b. “Company” means Hexaware Technologies Limited.
- c. “Mainstream Media” shall cover specific news sources as defined in Industry Standards note issued by Industry Standards Forum (“ISF”) on verification of market rumors read with Regulations 30(11) of Listing Regulations as amended from time to time.

- d. "Promoter" and "Promoter Group" shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- e. "Relevant Employee" means an employee who has knowledge/access to a potential material event or information, as defined herein.
- f. "Subsidiary" means a subsidiary company as defined under Section 2(87) of the Companies Act, 2013;

All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Listing Regulations, and if not defined therein, then as per the SEBI Act, 1992, the Companies Act, 2013 or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 and/or the rules and regulations made thereunder.

4. Authorized Persons to determine materiality of event/information:

- 4.1 The Board has jointly and severally authorized Chief Executive Officer & Executive Director, Company Secretary and Chief Financial officer of the Company (**hereinafter collectively referred as, "Authorized Persons"**) as the persons authorized to determine the materiality of events, classify it as a material event, decide the appropriate time at which disclosure of information regarding material event is to be filed with the stock exchanges and to confirm/deny / clarify on market rumours. The Authorized Persons are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- 4.2 The Authorized Person(s) shall have the following responsibilities for determining the material events or information:
 - To put in place an adequate mechanism for collecting relevant information and events on a real time basis, to the extent possible, to enable appropriate disclosures under this Policy.
 - To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.
- 4.3 The Chief Financial Officer and Company Secretary are severally authorized to file disclosure of material events or information and verification (confirm/ deny/ clarify) of market rumours with the stock exchanges.

5. Criteria to determine materiality of event/information:

- 5.1 The Authorized Persons shall determine materiality of event/information on a case-to-case basis depending on facts and circumstances and the following criteria may be applied for the materiality assessment of any information /event.
- 5.2 Events listed in Para A – Part A of Schedule III of Listing Regulations, shall be deemed to be material and shall be disclosed without application of any materiality criteria.

5.3 Events/information listed in Para B – Part A of Schedule III of the Listing Regulations, shall be considered material if it satisfies the materiality criteria stated below:

Qualitative criteria:

- (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;

Quantitative criteria:

- a) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - i. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - ii. two percent 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;
 - iii. five percent 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;

5.4 Para C of Part A of Schedule III: Any other information/events viz. major development that is likely to affect business e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of false market in such securities.

5.5. In case where the criteria specified above are not applicable or the event does not fall under para(s) 5.2, 5.3 or 5.4, an event/information may be treated as being material if in the opinion of the Board, the event / information is considered material.

5.6 The relevant employees shall refer to the internal guidance note issued by the Company for identifying any potential material event(s) or information and reporting the same to the Authorized Persons.

5.7 The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

6. Events or information with respect to subsidiaries:

The Company shall disclose all events/information with respect to its Subsidiaries that are considered material for the Company.

7. Rumour Verification:

- 7.1 The Company may confirm, deny or clarify any reported event or information in the mainstream media, which is not general in nature and indicates that rumours of an impending specific material event or information that are circulating amongst the investing public and also provide the current stage of such an event or information.
- 7.2 For the purposes of this Policy, the Company is considered to have “material business operations” in such foreign jurisdictions where it generates more than 10% of its annual consolidated revenue as per the last audited financial statements. Basis the said criteria, currently the Company has material business operations in:

1. United States of America (USA)
2. United Kingdom (UK)

The Company may revise this list on a yearly basis, depending on the Company’s annual consolidated revenue. Further, basis this, currently the Company shall track below mentioned English business / financial news sources in USA and UK to comply with Regulation 30(11) of Listing Regulations:

1. A. Wall Street Journal and Financial Times for United States of America
2. Financial Times for United Kingdom.

- 7.3 The Company shall confirm, deny or clarify, upon the material price movement as may be specified by the stock exchange(s), any reported event or information in the mainstream media which is not general in nature and which indicates that rumour of an impending specific event or information is circulating amongst the investing public, as soon as reasonably possible but in any case not later than twenty four hours from the trigger of material price movement.

8. Timelines for disclosures:

The Company shall disclose all events or information within the timelines specified under the applicable laws. In case the disclosure is made after the timelines specified under the Listing Regulations, the Company shall, along with such disclosure provide an explanation for the delay.

9. Policy Review and Amendment:

This policy shall be reviewed from time to time so that the policy remains compliant with applicable legal requirements. The Board may amend any provision(s) of this Policy or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new policy with or without changes in applicable laws. Any subsequent

amendment/modification in Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

10. Disclosure on the website :

This Policy has been issued with the approval of the Board and shall come into force with effect from the date mentioned in the Board resolution. The policy shall also be uploaded on the website of the Company at www.hexaware.com

11. Precedence:

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.