



## **REDINGTON LIMITED**

### **Policy on Material Subsidiaries**

Policy approved by	:	Board of Directors of
Date of approval of current version	:	Redington Limited
Policy effective from	:	May 16, 2023
Version No.	:	April 1, 2023
	:	RL/MATSUBPOLICY/01-2023

#### **Introduction**

This policy is framed pursuant to the provisions of Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and its amendments thereto.

### **Material Subsidiary**

“Material Subsidiary” is a subsidiary, whose income or net worth (as per Companies Act, 2013) exceeds 10% of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

### **Governance Framework**

- (i) An Independent Director on the Board of the Company shall be nominated on the Board of Directors of an unlisted material subsidiary\* incorporated in India or not.

\*Material Subsidiary for this purpose shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

- (ii) The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- (iii) The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity.
- (iv) The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements (as prescribed in the Listing Regulations) entered into by the unlisted subsidiary.
- (v) The Company can dispose of shares held in its material subsidiary with the approval of the Board of Directors. However, if such sale/transfer results in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease to exercise control over the subsidiary, the approval of shareholders through special resolution is required except in case where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- (vi) The Company can sell, dispose and lease assets of its material subsidiary with the approval of the Board of Directors. However, if such sale, disposal and lease of assets exceeds 20% of the assets of the material subsidiary on an aggregate basis during a financial year, the approval of shareholders through special resolution is required except in case where the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

### **Disclosures**

As prescribed under the Listing Regulations, the Company shall disclose the Policy on the Company's website and a web link thereto shall be provided in the Annual report.

**Review of the Policy**

This Policy shall be subject to review as may be deemed necessary or in accordance with any regulatory amendments, which affects the said policy.