

APM INDUSTRIES LIMITED

MATERIAL SUBSIDIARY POLICY

The Objective of this Policy is to determine the "Material Subsidiaries of the Company" and to provide the Governance Framework for such Subsidiaries.

"**Material Subsidiary**" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Governance Framework – Material Subsidiary

- ❖ The management of the Company shall monitor and ensure that as and when any of the subsidiaries is determined as a 'material' subsidiary, the same shall be intimated to the Audit Committee.
- ❖ The Audit Committee of the Board of the company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary Company.
- ❖ The minutes of the Board Meetings of the Unlisted Subsidiary/s shall be placed before the Board of the Company
- ❖ The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.
- ❖ One Independent Director of the Company shall be a Director on the Board of the 'material' non-listed Indian subsidiary company.
- ❖ The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- ❖ Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

Policy Review

This Policy shall be subject to review as may be deemed necessary by the Board of Directors and in accordance with any Regulatory Amendments.