

Policy for Determining “Material” Subsidiaries

1. Important Definitions:

“**Material Subsidiary**” would imply a subsidiary in which the investment by Mideast Portfolio Management Limited exceeds 20% of the consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of Mideast Portfolio Management Limited during the previous financial year.

“**Material Non Listed India Subsidiary**” would imply an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up share capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of Mideast Portfolio Management Limited and its Subsidiaries in the immediately preceding accounting year.

“**Significant Transaction or Arrangement**” would imply any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

2. Objective:

The objective of this Policy is to determine:

- a) meaning of Material Subsidiary
- b) requirement of Independent Director in certain Material Non-Listed Indian Subsidiaries
- c) restriction on disposal of shares of Material Subsidiary by the Company
- d) restriction on transfer of assets of Material Subsidiary and
- e) disclosure requirements based on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

3. Compliances:

- a) Independent Director on the Board of Material Non Listed Indian Subsidiary
At least One (1) Independent Director on the Board of the Company shall be a Director on the Board of a Material Non Listed Indian Subsidiary.
- b) Significant Transactions/Arrangements of Unlisted Subsidiary Companies
The management shall periodically submit to the Board of Directors, a statement of all Significant Transactions and Arrangements entered into by Unlisted Material Subsidiary(ies).
- c) Restriction on Disposal of Shares of Material Subsidiary by the Company
The Company shall not dispose off shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent [50%] or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment is under a scheme of arrangement duly approved by a court/ tribunal.
- d) Restriction on Disposal of Assets of Material Subsidiary
Selling, disposing and leasing of assets amounting to more than twenty percent [20%] 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.

4. Governance Framework:

- a) Minutes of the Board meetings of all Subsidiary Companies shall be placed before the Board of Directors of Mideast Portfolio Management Limited on quarterly basis;
- b) A statement of all significant transactions and arrangements entered into by the material Subsidiary Companies during the quarter shall be brought to the attention of the Audit Committee of Mideast Portfolio Management Limited on quarterly basis;
- c) The Audit Committee of Mideast Portfolio Management Limited shall review the financial statements, in particular, the investments made by the unlisted material Subsidiary Company on an annual basis;

5. Disclosures:

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

6. Review of the Policy:

This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.
