



POLICY ON MATERIAL SUBSIDIARIES

1. INTRODUCTION

The Board of Directors (the "Board") of Frontier Capital Limited (the "Company") has adopted the following policy and procedures with regard to Material Subsidiaries as defined below. The Operational Committee may review and amend this policy from time to time.

This Policy is effective from December 1, 2015.

2. POLICY OBJECTIVES

The objective of this policy is to determine –

- i. Meaning of "Material Subsidiary";
- ii. Requirement of Independent Director in certain Material Non Listed Indian Subsidiaries;
- iii. Restriction on Disposal of shares of Material Subsidiary by the Company;
- iv. Restriction on transfer of Assets of a Material Subsidiary and;
- v. Disclosures requirements, as require under SEBI (Listing Obligations & Disclosures (Requirements) Regulation, 2015.

3. POLICY OBJECTIVES

"Company" means **"Frontier Capital Limited"**.

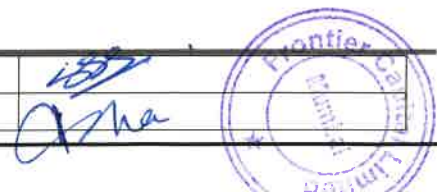
"Control" means shall include right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert , directly or indirectly , including by virtue of their shareholding or management rights or shareholder agreement or voting agreements or in any other manner.

"Independent Director" means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

"Subsidiary" shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

"Material Non Listed Subsidiary" shall mean

- Investments by Company exceeds twenty percent (20%) of the consolidated net worth as per audited balance sheet of the previous financial year or
- If the subsidiary has generated twenty percent (20%) of the consolidated income of the Company during the previous financial year and
- Subsidiary which is incorporated in India and is not listed on the Indian stock exchanges.





“Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under clauses of Listing Agreement with the Stock Exchanges and the Companies Act, 2013.

“Board of Director” or “Board” means the Board of Directors of Frontier Capital Limited, as constituted from time to time.

“Significant Transaction or Arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent (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.

4. REVIEW, DISCLOSURES AND RESCTRCTIONS

- a) At least one Independent Director on the Board of the Company shall be a Director on the Board of a Material Non Listed Indian Subsidiary.
- b) The management should periodically bring to the attention of the Board of the Company, a Statement of all Significant Transactions and Arrangements entered into by any Material Non-Listed Subsidiary Company.
- c) The Company shall not dispose of 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 scheme of arrangement, duly approved by a Court /Tribunal.
- d) Selling, disposing and leasing of Assets, amounting to more than twenty percent (20%) of the Assets of a Material Subsidiary on an aggregate basis during a financial year, shall require prior approval of shareholders of the Company by way of Special Resolution, unless the sale/disposal/lease is made under a scheme of arrangement, duly approved by a court/Tribunal.
- e) As prescribed under SEBI (Listing Obligations & Disclosures (Requirements) Regulation, 2015, this policy shall be disclosed in the Company’s Website.

5. REVIEW OF POLICY

This policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

