

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. LEGAL FRAMEWORK

1.1. As per the Clause 49 (V) (D) under the Listing Agreement with the Stock Exchanges ('Listing Agreement') extends certain principles of corporate governance to material subsidiaries of listed companies.

1.2. The Board of Directors (the 'Board') of Ultra Wiring Connectivity System Ltd. (the 'Company') is obliged to formulate a policy for determining "material subsidiaries" (the / this "Policy") to comply with the requirements of Clause 49 of the Listing Agreement for such material subsidiaries.

2. PURPOSE AND OBJECTIVE OF THE POLICY

2.1 The purpose of this Policy is to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

2.2 The objective of this Policy is to determine

- (i) Meaning of Material Subsidiary;
- (ii) Requirement of Independent Director in certain Material Unlisted Indian Subsidiaries;
- (iii) Restriction on disposal of shares of Material Subsidiary by the Company;
- (iv) Restriction on disposal of assets of Material Subsidiary; and
- (v) Disclosure requirements, based on Clause 49 of the Listing Agreement and any other laws and regulations as may be applicable to the Company.

2.3 The Policy intends to ensure governance of 'material' subsidiaries by complying with directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions or arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling or disposing or leasing of assets of such subsidiaries by the Company. Material Subsidiaries Policy Ultra Wiring Connectivity System Ltd.,

3. DEFINITIONS

Some of the key terms used in the Policy for determining material subsidiaries are as under:

3.1 '**Act**' means the Companies Act, 2013 including any amendments as may be applicable from time to time.

3.2 **'Audit Committee'** means the committee constituted by the Board of the Company under Section 177 of the Companies Act, 2013 and Clause 49(III) of the Listing Agreement.

3.3 **'Consolidated Income'** means the total income of the Company and its subsidiaries.

3.4 **'Control'** shall include the 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 shareholders agreements or voting agreements or in any other manner.

3.5 **'Holding company'** in relation to one or more other companies, means a company of which such companies are subsidiary companies.

3.6 **'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.

3.7 **'Material non-listed Indian subsidiary'** shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20 per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

3.8 **'Material Subsidiary'** shall mean a subsidiary in which the investment of the Company exceeds 20 per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20 per cent of the consolidated income of the Company during the previous financial year.

3.9 **'Net worth'** shall mean the net worth as computed based on the last audited financial statements of the Company.

3.10 **'Significant transaction or arrangement'** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10 per cent 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. Ultra Wiring Connectivity System Ltd.

3.11 **'Subsidiary Company' or 'subsidiary'** in relation to any other company (that is to say the holding company), means a company in which the holding company –

(i) Controls the composition of the Board; or

(ii) Exercises or controls more than one half of the total share capital either at its own or together with one or more of its subsidiary companies; Explanation- For the purpose of this definition,-

a) A company shall be deemed to be a subsidiary company of the holding company even if the control referred to in clause (i) or (ii) above is of another subsidiary company of the holding company;

b) The composition of a company's Board shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors.

4. GUIDING PRINCIPLES

4.1 A subsidiary of the Company shall be considered 'material' if: a. the investment of the Company in any subsidiary of the Company exceeds 20 per cent of its consolidated net worth as per the audited balance sheet of the Company of the previous financial year; or b. any subsidiary company of the Company has generated 20 per cent of the consolidated income of the Company during the previous financial year.

4.2 In terms of the Policy, it shall be the responsibility of the Company to ascertain which of its subsidiary companies can be deemed to be a material subsidiary company for the purpose of Clause 49 (V) (D) of the Listing Agreement and to ensure adherence to the relevant provisions stated therein.

4.3 Identification of 'Material subsidiary' of the Company including any: • Material listed Indian and foreign subsidiaries; and • Material non-listed foreign subsidiary shall be done once during each financial year and the conclusion placed before the Audit Committee and the Board of the Company, for its noting. Ultra Wiring Connectivity System Ltd.

4.4 Identification of 'Material non-listed Indian subsidiary' of the Company would be done once during each financial year and the conclusion placed before the Audit Committee and the Board of the Company.

5. PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY COMPANIES

5.1 At least one independent director on the Board of the Company shall be a director on the Board of its material non-listed Indian subsidiary company.

5.2 The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.

5.3 The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the meeting of the Board of the Company.

5.4 The management shall periodically bring to the attention of the Board of the Company, a statement of all significant transactions or arrangements entered into by the unlisted subsidiary company.

5.5 The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined in this Policy. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of independent director in the material non-listed Indian subsidiary company.

5.6 The CFO will be responsible for monitoring the above and determining which of the subsidiaries falls within the definition of material subsidiary.

5.7 Monitoring of investments made by the Company in the subsidiaries for the purpose of determining the materiality of the subsidiary shall be done whenever such an investment is made. Monitoring the quantum of generation of consolidated income of the Company will be done at the time of finalizing the consolidated annual accounts of the Company. Ultra Wiring Connectivity System Ltd.

6. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

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 50 per cent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such disinvestment is made under a scheme of arrangement duly approved by a Court or Tribunal or it has previously been approved by the Board for "Disinvestment".

7. RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

The Company shall not sell, dispose and lease of assets amounting to more than 20 per cent of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of the shareholders by way of passing special resolution in its General Meeting, unless the sale or disposal or lease is made under a scheme of arrangement duly approved by Court or Tribunal.

8. COMPLIANCE BY STEP DOWN SUBSIDIARIES

Where the Company has a listed subsidiary which is itself a holding company, this Policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

9. DISCLOSURES

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

10. AMENDMENT OR REVIEW

10.1 The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

10.2 The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance in Ultra Wiring Connectivity System Ltd.

10.3 The Policy shall stand amended in accordance with changes to the regulations including the Companies Act, Listing Agreement and guidelines issued by the Securities and Exchange Board of India and any amendment (s), clarification (s), circular (s) etc. issued by the regulatory authorities.