

# POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Formulated pursuant to SEBI (LODR) Regulations, 2015 — Regulation 16(1)(c)

## 1. Background and Objective

Shinox Group Limited operates through a group structure spanning multiple business verticals. This Policy sets out the criteria for determining whether a subsidiary of the Company is a "Material Subsidiary" as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), and the governance requirements that apply to such subsidiaries.

## 2. Definition of Material Subsidiary

A subsidiary shall be considered a "Material Subsidiary" if its income or net worth exceeds ten percent (10%) of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

## 3. Governance of Material Subsidiaries

With respect to each Material Subsidiary, the Company shall:

- Ensure that at least one Independent Director of the Company serves on the Board of the Material Subsidiary
- Ensure that the Audit Committee of the Company reviews the financial statements of the Material Subsidiary
- Ensure that the minutes of Board meetings of the Material Subsidiary are placed before the Board of the Company
- Not dispose of shares in, or permit the dilution of ownership in, a Material Subsidiary that would reduce the Company's shareholding below fifty percent, without prior approval of shareholders by way of a special resolution
- Not sell, dispose of, or lease assets amounting to more than twenty percent of the assets of the Material Subsidiary without prior shareholder approval

## 4. Unlisted Material Subsidiaries

For unlisted Material Subsidiaries incorporated in India, the Company shall formulate a policy for determining the requirement of listing and shall comply with applicable statutory requirements.

## 5. Review

The list of Material Subsidiaries shall be determined annually based on the preceding year's consolidated financial statements and uploaded on the Company's website. This Policy shall be reviewed by the Board as and when required and at least once in three years.