

SEMICONDUCTOR LIMITED

RRP SEMICONDUCTOR LIMITED

POLICY FOR DETERMINING

MATERIAL SUBSIDIARY



RRP SEMICONDUCTOR LIMITED

INTRODUCTION:

The Board of Directors of the Company has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

OBJECTIVE:

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

The Policy is framed in accordance with the requirements of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called the "Listing Regulations") to ensure the compliance with the applicable provisions of the Listing Regulations.

DEFINITIONS:

"Act" means the Companies Act, 2013 and rules made thereunder, including any modifications, amendments, clarification and circular thereof.

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company from time to time, under provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015 and the Companies Act, 2013.

"Board of Directors" or **"Board"** means the Board of Directors of RRP Semiconductor Limited, as constituted from time to time.

"Company" means "RRP Semiconductor Limited"

"Control" same means as defined under Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

"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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



"Net Worth" means net worth as defined in sub-section (57) of Section 2 of the Companies Act, 2013.

"Policy" means this Policy, as amended from time to time.

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

"Material Subsidiary" shall mean as defined in Regulation 16(1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s)or modification(s) or re-enactment(s) thereof from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

GOVERNANCE FRAMEWORK:

- At least One Independent Director of the Company shall be a director on the Board of the Material Subsidiary Company whether incorporated in India or not.

  For the purpose of above provision, material subsidiary shall mean a subsidiary, whose income or net worth exceeds **20%*** of the consolidated income or net worth of the Company and its subsidiaries in the immediately preceding accounting year.
- The Company and its material unlisted Subsidiary shall undertake Secretarial Audit and shall annex with its Annual Report, a Secretarial Audit Report, given by a Company Secretary in practice, in such form as may be specified.

  For the purpose of above provision of Secretarial Audit, material subsidiary shall mean a subsidiary, whose income or net worth exceeds **10%*** of the consolidated income or net worth of the Company and its subsidiaries in the immediately preceding accounting year.



DISPOSAL:

The Company, without passing a special resolution in its General Meeting, shall not:

- Dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary or
- Sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

unless in cases where the divestment/ sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

AMENDMENTS:

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

SCOPE AND LIMITATION:

In the event of any conflict between the provisions of this Policy and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

DISSEMINATION OF POLICY:

This policy shall be hosted on the website of the Company and a web link thereto shall be provided in the annual report of the Company, as per the provisions of the law in force.

*The limit of 20% and 10% in the context of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments from time to time.

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