



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. INTRODUCTION

- The Board of Directors ("**Board**") of Global Health Limited ("**Company**") has adopted the following policy and procedures with regard to determination of Material Subsidiaries ("**Policy**").
- This Policy will be applicable to the Company w.e.f. September 10, 2021. The Board of Directors of the Company will review and amend this Policy from time to time, as applicable.
- The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") extend certain principles of corporate governance to Material Subsidiary(ies) of listed companies.

2. OBJECTIVES

- The objective of the Policy is to determine material subsidiary(s) of the Company and to provide a corporate governance framework for such material subsidiary(ies).
- The Policy is framed in accordance with the requirements of Regulation 16(1)(c) of the Listing Regulations.

3. DEFINITIONS

- "**Act**" means the Companies Act, 2013, and all rules, regulations, notifications and circulars made/ issued thereunder, as amended, from time to time.
- "**Audit Committee**" means the committee constituted by the Board of the Company under applicable provisions of the Act and the Listing Regulations.
- "**Control**" shall have the same meaning ascribed to such term under the Act and the Securities and Exchange Board of India (Substantial Acquisitions and Takeovers) Regulations, 2011, as amended from time to time.
- "**Independent Director**" or "**ID**" shall have the same meaning ascribed to such term the Act and the Listing Regulations.
- "**Insolvency Code**" shall mean Insolvency and Bankruptcy Code, 2016.
- "**Listing Regulations**" mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment(s) or modification(s) or circular(s) or notification(s) thereof made thereunder.

- **“Material Subsidiary”** shall mean a subsidiary, whose turnover or net worth exceeds 10% (ten percent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- **“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten percent) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.
- **“Subsidiary”** shall have the same meaning ascribed to such term under the Act and the Listing Regulations.
- **“Unlisted Subsidiary”** means a Subsidiary of the Company whose shares are not listed on any recognized stock exchange in India.
- Any other term not defined herein shall have the same meaning as defined in the Act, Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law.

4. IDENTIFICATION OF MATERIAL SUBSIDIARY

A subsidiary shall be considered as material if –

- The turnover or net worth exceeds 10 (**ten**) **percent** of the consolidated turnover or net worth respectively, of the Company and its subsidiary(s) in the immediately preceding accounting year

A list of such material subsidiaries shall be presented to the Audit Committee annually for its noting.

5. DISPOSAL OF MATERIAL SUBSIDIARY

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

- dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (fifty percent) or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- sell, dispose and lease assets amounting to more than 20% (twenty percent) of the assets of the material subsidiary on an aggregate basis during a financial year, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved or is between two wholly-owned subsidiaries of the Company.”

6. GOVERNANCE FRAMEWORK FOR MATERIAL UN-LISTED SUBSIDIARY

- At least one Independent Director on the Board of the Company shall be a Director on the Board of an unlisted material subsidiary company whether incorporated in India or not.

For the purposes of this requirement, “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds **twenty percent** of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- The management shall present to the Audit Committee annually the list of such Subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the material unlisted Subsidiary.

7. GOVERNANCE FRAMEWORK FOR UNLISTED SUBSIDIARY COMPANY

- The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company.
- The minutes of the Board meetings of the Unlisted Subsidiary Company shall be placed at the Board meeting of the Company.
- The management of the Unlisted Subsidiary shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transaction or Arrangement entered into by the Unlisted Subsidiary Company.

8. SECRETARIAL AUDIT

Every unlisted subsidiary incorporated in India which falls under the threshold limits as prescribed under Section 204 of the Companies Act shall undertake secretarial audit every financial year and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice in the prescribed form.

Every unlisted Material Subsidiary incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a peer reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as may be prescribed by SEBI/Stock Exchanges with the Annual Report of the Company.

9. REPORTING & DISCLOSURE

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

10. 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.

11. DISCLAIMER

By reason of any change in the Act and/or Listing Regulations which leads to any inconsistency or ambiguity or incongruity between the policy and the Act/ Listing Regulations, the amended Act/ Listing Regulations as issued by respective authorities shall prevail in this regard.