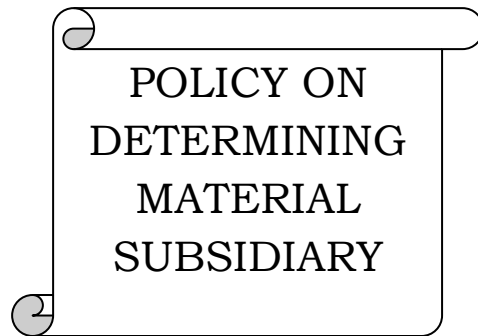


Flexituff International Limited



I. INTRODUCTION

Flexituff International Limited has adopted the following policy and procedures with regard to determination of material subsidiaries.

II. TITLE

The Policy shall be called “Policy for determining material subsidiaries”.

III. 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 Clause 46 of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015.

IV. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

*A subsidiary shall be **material** if-*

The income or net worth exceeds 20% of the consolidated income or net worth of holding Company and its subsidiaries in the immediately preceding financial year.

Based on this criteria, Flexituff International Limited shall determine material subsidiary.

V. REQUIREMENT REGARDING MATERIAL SUBSIDIARY

- *At least 1 independent Director on Board of Directors of Flexituff International Limited shall be director on the Board of Directors of an unlisted material subsidiary, incorporated in India;*
- *Flexituff International Limited 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 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ Tribunal.

- *Selling, Disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a court/ tribunal.*

VI. 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.

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.

VII. DISCLOSURE

This document is updated as on _____,2015.