

WINSOME YARNS LIMITED

POLICY FOR DETERMINING IMMATERIALITY FOR DISCLOSURES

As Adopted by the Board of Directors on February 10, 2016

The Policy applies in respect of disclosure of material events occurring within WINSOME YARNS LIMITED.

1. AUTHORISED PERSONS

The Managing Director of the Company will be the custodian of the disclosure process.

In the event of absence of the Managing Director on account of vacancy, leave, vacancy temporary inaccessibility for any reason, his powers and functions shall be undertaken by Chief Financial Officer of the Company.

The Company's Managing Director and Chief Financial Officer, in consultation with the Company's key managerial personnels shall have the authority to make materiality and distribution determinations covered by this Policy with respect to the information disclosed about the Company. All questions about this Policy should be directed to the Managing Director and/ or Chief Financial Officer. The Managing Director and Chief Financial Officer or his/her designee, in each case, together with the Company's concerned department must pre-approve any deviation from the policies and procedures outlined in this Policy.

2. MATERIALITY ASSESSMENT

Information should be regarded as "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security or where the fact is likely to have a significant effect on the market price of the security. Either positive or negative information may be material.

Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. The primary approach for determining materiality will be qualitative. The quantitative criteria given hereunder shall be used as a guide or reference for determining materiality and arriving at the overall decision on reportability of the event by the Managing Director and Chief Financial Officer of the Company.

Financial information is particularly sensitive. For example, nonpublic information about the results of the Company's operations, for even a portion of a quarter or the portion of the

