



**Bayer CropScience Limited**

**POLICY FOR DETERMINING MATERIAL  
SUBSIDIARY**

**RESTRICTED**

## Policy For Determining Material Subsidiary

The objective of the Policy is to determine Material Subsidiaries of Bayer CropScience Limited (“BCSL/Company”) and to provide a governance framework for such Material Subsidiaries.

The Policy for Determining Material Subsidiary (“Policy”) is framed in accordance with the requirements of the SEBI Listing Regulations.

### DEFINITIONS:

“Act” means the Companies Act, 2013 as amended from time to time.

“SEBI Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 as amended from time to time.

“Board” means the Board of Directors of Bayer CropScience Limited.

### POLICY:

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

At least one independent director on the Board of BCSL shall be a director on the board of an unlisted Material Subsidiary, whether incorporated in India or not.

The Company 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 fifty percent 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 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.

Selling, disposing and leasing of assets amounting to more than twenty percent 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[, 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.

Material Subsidiary incorporated in India shall undertake secretarial audit and shall annex with its annual report, given by the company secretary in practice.

**POLICY REVIEW:**

- a) The Policy is framed based on the provisions of the Act and rules thereunder read with the SEBI Listing Regulations
- b) In case of any subsequent changes in the provisions of the Act and any other regulations which makes the provision in the Policy inconsistent with the Act or any other regulations, then the provisions of the Act or regulations shall prevail over the Policy and the provisions in the Policy shall be modified in due course to make it consistent with the law.

**DATE OF APPROVAL & AMENDMENT, IF ANY:**

The Policy is approved and adopted by the Board of Directors on February 11, 2021 and is effective from the same date.

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