



**BAYER CROPSCIENCE LIMITED
POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

A. OBJECTIVE

The objective of the Policy is to determine Material Subsidiaries of Bayer CropScience Limited (“the Company”) and to provide a governance framework for such Material Subsidiaries as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The Board of Directors of the Company has, in pursuance of Regulation 16(1)(c) of SEBI Listing Regulations (including any statutory enactments / amendments thereof), adopted the following policy for laying down a criterion for determining and their governance. This Policy for Determining Material Subsidiary (“Policy”) is framed in accordance with the requirements of the SEBI Listing Regulations. This Policy is also published on the website of the Company pursuant to Regulation 46(2)(h) of the SEBI Listing Regulations.

B. DEFINITIONS

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

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

“Policy” means this Policy for determining Material Subsidiaries.

“Material Subsidiary” means a subsidiary, whose Turnover or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Unlisted Material Subsidiary” means a material Subsidiary (whether incorporated in India or not) which is not listed on any Stock Exchanges in India or overseas and excludes the subsidiary the securities of which are proposed to be listed.

“Significant Transaction or Arrangement” means any individual transaction or arrangement that exceeds or is likely to exceed 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” as defined under section 2(87) of the Companies Act, 2013 and the Rules made thereunder

“Policy or this Policy” shall mean the Policy for Determining Material Subsidiary.

“SEBI Listing Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

Any other term(s) not defined herein shall have the same meaning as defined in the Act and SEBI Listing Regulations or any other applicable law or regulation.

C. MATERIAL SUBSIDIARY

A subsidiary of the Company shall be considered as “Material Subsidiary” if the 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.

D. OVERSIGHT OF MATERIAL SUBSIDIARIES

i. Requirement of Independent Director on the Board of Material unlisted Indian Subsidiaries:

At least one Independent Director on the Board of the Company shall be a Director on the Board of an Unlisted Material Subsidiary, incorporated in India.

ii. Restriction on disposal of Shares of a Material Subsidiary by the Company : 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 or equal to 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.

iii. Restriction on transfer of Assets of a Material Subsidiary : 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.

iv. Significant Transactions / Arrangements of an unlisted Subsidiary: The management of the unlisted subsidiary should periodically submit to the Board of the Company, a Statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary.

v. Disclosure requirements as may be applicable to the Company

- a. The Audit Committee shall review the financial statements of each unlisted Subsidiary including material subsidiary, in particular, the investments made by such unlisted subsidiary on a regular basis.
- b. The minutes of the Board Meetings of the unlisted subsidiary company shall be periodically placed before the Board.
- c. Material Subsidiary incorporated in India shall undertake secretarial audit and shall annex with its annual report, given by the company secretary in practice.

E. 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.

F. DISCLOSURE

Appropriate disclosures as specified under the Act and the SEBI Listing Regulations, shall be made by the Company in the Annual Report, Board Report and to the Stock Exchanges and shall be published on the website of the Company.

This Policy shall be uploaded on the website of the Company: www.bayer.in and the web link there to shall be provided in the Annual Report of the Company.

G. AMENDMENT TO LAW

Any subsequent amendment / modification in the SEBI Listing Regulations, Act and all other applicable laws in this regard shall automatically apply to this Policy and be binding on the Company and shall prevail over this Policy, even if not incorporated in the Policy. In any circumstance where the terms of the Policy differ from any applicable law for the time being in force, the provisions of such applicable law shall take precedence over the Policy.

H. 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 and was reviewed & amended with effect from February 11, 2025.
