



POLICY ON MATERIAL SUBSIDIARY

STYRENIX PERFORMANCE MATERIALS LIMITED

Version 3 January, 2025

Authorised by: Board of Directors

Approved on January 30, 2025

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1. Introduction

Styrenix Performance Materials Limited (“the Company”) has adopted the policy and procedures for determining ‘material’ subsidiary companies (“Policy”) in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”).

2. Definitions

“Material Subsidiary” – as per clause 16 (1)(c) of the Listing Regulations, shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“Subsidiary Company” means subsidiary company as defined in Section 2(87) of the Companies Act, 2013.

“Significant Transaction or Arrangement” means any individual transaction or arrangement that exceeds or is likely to exceed 10% 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, as defined under Regulation 24 (4) of the Listing Regulations.

3. Governance Framework

- i. At least one Independent Director of the Company shall be a Director on the Board of the Material un-listed subsidiary, whether incorporated in India or not. [For the purposes of this clause the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.]
- ii. The Company shall not, without the prior approval of the members by special resolution in its General Meeting, dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the Material Subsidiary except 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.
- iii. The Company shall not, without the prior approval of the members by special resolution, sell, dispose-off or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the same 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. However, If sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company then prior approval of the members by passing special resolution is not required.

- iv. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary company, on an annual basis.
- v. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed before the Board of the Company on a periodical basis.
- vi. 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 transactions and arrangements entered into by the unlisted Subsidiary.

4. Disclosures

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

Further, details of material subsidiaries of the Company, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries shall also be disclosed in the annual report.

5. Limitation and Amendments

In the event of any conflict between the provisions of this policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this policy.

6. Review

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to stakeholders in a timely manner.

7. Disclosure of the Policy

This policy will be available on the website of the Company www.styrenix.com in the Corporate Governance section.