

AKZO NOBEL INDIA LIMITED

POLICY ON RELATED PARTY TRANSACTIONS (RPT)

1. *The Company shall not enter into any contract or arrangement with a Related Party except with the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with Exempted Wholly Owned Subsidiaries (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval).*
2. *The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:*
 - i. The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered;*
 - ii. The indicative base price / current contracted price and the formula for variation in the price, if any; and*
 - iii. Such other conditions as the Audit Committee may deem fit.*
3. *The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available up to a value of Rs. 1 crore per transaction.*
4. *The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered by the Company pursuant to each of the omnibus approval given.*

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

5. *In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.*
6. *A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.*

Provided that in case of RPT contracts involving Royalty and Brand related payments in excess of five percent of the annual

consolidated turnover, as per the last audited financial statements of the Company, shall be deemed 'material'.

- 7. All material related party transactions other than those specifically exempted in this regard, shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:*
- 8. This policy should be read in conjunction with the provisions of the Companies Act 2013 (i.e. section 188 and Rules made thereunder) and/ or the SEBI LODR (clause 23).*
- 9. **Material Subsidiaries:** In terms of Regulation 16 of SEBI LODR, the following policy shall be adopted by the Company for determining Material Subsidiaries:*

“Material subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

In case of any conflict or inconsistency between the policy statement and the legal/ regulatory provisions, the latter shall prevail.

This revised policy has been adopted by the Board of Directors of Akzo Nobel India Limited at its meeting held on 8 November 2019, and may be modified / amended by the Board as may be required from time to time.