

AKZO NOBEL INDIA LIMITED

POLICY ON RELATED PARTY TRANSACTIONS (RPT)

1. This Policy called "POLICY OF RELATED PARTY TRANSACTIONS (RPT)" is framed in compliance with the provisions of Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").
2. "Related Party", "Related Party Transactions", "Material Related Party Transactions" and other terms as mentioned herein stands defined in terms of SEBI LODR.
3. As required under the SEBI LODR, the audit committee of the Company has defined Material modification as follows:

"Material modification" in relation to any Related Party Transactions of the Company means 25% (twenty-five per cent) or more variation in the threshold limits of approved Related Party Transactions in terms of value against each nature of transaction, subject to material transaction limits defined in the listing agreement.

4. All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity:

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

With effect from April 1, 2022, 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 rupees one thousand crore or ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

In terms of Regulation 16 of SEBI LODR, "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.

5. With effect from April 1, 2022, provided further that:
 - (a) a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;
 - (b) with effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;
5. The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions proposed to be entered into by the listed entity for, subject to the following conditions, viz:
 - i. the transactions are repetitive in nature;
 - ii. the transactions are in the interest of the listed entity;
 - iii. the omnibus approval shall specify-
 - a. The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction indicating clear threshold limits that can be entered;

- b. The indicative base price / current contracted price and the formula for variation in the price, if any; and
- c. Such other conditions as the Audit Committee may deem fit.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

- d. 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.
 - e. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals every year.
6. All material related party transactions and subsequent material modifications shall require prior 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. For related party transactions of unlisted subsidiaries of a listed subsidiary, the prior approval of the shareholders of the listed subsidiary shall suffice.
 7. The provisions of 4, 5 & 6 above shall not be applicable to transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 8. The provisions of this regulation shall be applicable to all prospective transactions.
 9. The listed entity shall submit within 15 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.
 10. 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.
 11. 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).

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 11 February 2022 and updated on 1st April with definition of material modification.