



Bayer CropScience Limited

**Consolidated Policy – Nomination & Remuneration, Board Diversity & Performance
Evaluation**

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Consolidated Policy – Nomination & Remuneration, Board Diversity & Performance Evaluation

The Nomination & Remuneration Committee as formed by the Board of Directors of Bayer CropScience Limited (“**Company/BCSL**”) pursuant to Section 178 of Companies Act, 2013 and amendments thereof read with Regulation 19 of the SEBI Listing Regulations and amendments thereof has the following responsibility:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees;
- b) for every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity;
 - iii. consider the time commitments of the candidates.
- c) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- d) devising a policy on diversity of the board of directors;
- e) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- f) whether to extend or continue the term of appointment of an independent director, on the basis of the report of performance evaluation of independent directors;
- g) recommend to the board, all remuneration, in whatever form, payable to executive directors, Key managerial personnel and senior management.

The Consolidated Policy for Nomination & Remuneration, Board Diversity and Performance Evaluation (“**Consolidated Policy**”) lays down the criteria for each of the responsibilities of the NRC as given herein above and the NRC shall be guided by the said Consolidated Policy while discharging its duties on behalf of the Company.

The Consolidated Policy shall supersede the following existing policies of the Company from the date of its adoption and approval:

- a) Nomination & Remuneration Policy
- b) Performance Evaluation Policy

DEFINITIONS:

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

“Applicable Laws” means applicable provisions of the Act and the SEBI Regulations.

“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.

“NRC / Committee” means the duly constituted Nomination & Remuneration Committee of Bayer CropScience Limited.

“Key Managerial Personnel (KMP)” means:

- i. Chief Executive Officer or the Managing Director or the manager
- ii. Company Secretary
- iii. Whole time Director
- iv. Chief Financial Officer
- v. such other officer designated as key managerial personnel by the Board.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by them and includes perquisites as defined under the Income-tax Act, 1961.

“Independent Director” means a director referred to in Section 149(6) of the Act and under SEBI Regulations.

“MD & CEO” shall mean the Managing Director and Chief Executive Officer of the Company.

“ED and CFO” shall mean the Executive Director and Chief Financial Officer of the Company.

“Net Profit” shall mean profit calculated as per section 198 of the Companies Act, 2013.

“Senior Management” means officers and personnel of Bayer CropScience Limited who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

The Consolidated Policy is divided into 3 parts:

- A) Nomination & Board Diversity.
- B) Performance Evaluation of the Board & Individual Directors.
- C) Guidelines for determining Remuneration.

PART A: NOMINATION & BOARD DIVERSITY

The Committee shall consider the following attributes while nominating a Board Member for appointment on the Board of the Company:

Key Attributes for Board Member Nomination:

1. **Governance Expertise:** Candidate should demonstrate a strong ability to enhance governance practices, ensuring accountability and effective stakeholder engagement while

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- promoting corporate ethics.
2. **Strategic Experience:** Candidate should have experience in making strategic decisions and guiding management through uncertain situations.
 3. **Conflict of Interest:** Candidate must not have any present or potential conflicts of interest.
 4. **Age Limit:** Candidate has attained the age of 25 years and does not exceed the age of 75 years during any term of appointment or re-appointment.
 5. **Independence Criteria:** Non-Executive Independent Directors must meet the independence criteria as defined by relevant laws and regulations.
 6. **Financial Expertise:** Candidate should have experience in handling financial management along with understanding of accounting and financial statements.
 7. **Sustainability and Environmental, Social, and Governance (ESG) Awareness:** Candidates should ideally have experience or awareness of sustainability and ESG practices, especially in light of evolving regulatory requirements and stakeholder expectations in these areas.
 8. **Innovation and Change Management:** Candidates who have led or adapted to major organizational changes, such as mergers, acquisitions, restructurings, or digital transformations, can be valuable in guiding the company through growth phases or shifts in strategy.
 9. **Stakeholder Engagement Skills:** Candidates with a demonstrated ability to engage with various stakeholders, including employees, investors, customers, and regulatory bodies, can contribute to stronger relationships and reputation management.
 10. **Continuous Learning and Development:** A commitment to staying current with industry trends, regulatory changes, and new governance practices.

The Company recognizes and embraces the benefits of having a diverse Board and believes that a truly diverse Board will leverage the differences in thought, perspective, knowledge and skills.

Diversity Considerations for Board Composition:

1. **Balanced Diversity:** The Committee will work to ensure balance across experience, knowledge, and perspective when recommending candidates for Board appointments. The board should reflect a mix of diverse backgrounds, skills, and perspectives to foster innovative thinking.
2. **Independent vs. Non-Independent Directors:** A balanced composition of independent and non-independent directors is essential for robust governance. Candidate should not be disqualified from serving as directors under any applicable laws.
3. **Time Commitment and Flexibility:** Candidates should be able to dedicate sufficient time to the company's affairs, ensuring they can actively participate in regular meetings and fulfill their responsibilities effectively. Additionally, in times of need or during critical periods, such as strategic pivots, crises, or special projects, candidates should be prepared to devote additional time and attention as necessary to support the company's requirements.

PART B: PERFORMANCE EVALUATION OF THE BOARD, COMMITTEE(S) AND INDIVIDUAL DIRECTORS:

The Company has delegated a significant amount of responsibility to the Board and the Independent Directors. In order to meet their fiduciary responsibility, the Committee recognizes that it has a duty to carefully monitor and evaluate the performance of all the Individual Directors and the Board as a whole. This Consolidated Policy provides guidance on evaluation of the performance on an annual basis of Individual Directors (including Chairperson), the Board as a whole and various committees of the Board.

a) **EVALUATION CRITERIA:**

1. Individual Directors, Including the Chairperson:

Individual Directors, including the Chairperson are to be evaluated by the entire Board, except the director being assessed. Essential attributes include integrity, governance focus, strategic contribution, risk management, trust-building within the Board, and up-to-date knowledge. Directors must be proactive, independent (for independent directors), and voice opinions freely. The Chairperson's leadership, meeting management, and shareholder relationship skills are particularly noted.

2. Board Evaluation:

The criteria focusses on qualifications, teamwork, integrity, compliance with governance standards, and constructive conflict handling. Board members are expected to monitor regulatory compliance, ensure transparency in financial reporting, assess key risks, and act in stakeholders' best interests. Agendas and board meeting schedules are expected to be well-communicated, concise, and regularly reviewed.

3. Committee Evaluation:

Committees are assessed on their constitution, adherence to roles, responsibilities, and legal requirements. They must ensure effective reporting to the Board, review mandates, actively provide recommendations, and conduct open, participative meetings. Regular performance reviews are encouraged for alignment with Board objectives.

The NRC has the power to revise, alter or change the above-mentioned evaluation criteria's as it may deem appropriate.

b) Manner of Evaluation:

Performance Evaluation shall be conducted once in a year. The Company Secretary of the Company shall be responsible for the distribution of the evaluation forms and collection and tabulation of the completed evaluation details which shall be placed for the review of the Committee.

The process shall be initiated by the Committee. The average scores of the performance evaluation shall be placed for the perusal of the Committee. The Committee shall discuss the high scoring and low scoring criteria's and the NRC chairperson, if deems necessary do discussions with individual Board members. Individual comments and views may also be discussed at the Nomination and Remuneration Committee meeting.

The NRC shall analyze the data and prepare a final report which shall be placed before the Chairperson of the Company. The results of evaluation of the Individual Directors shall be given to the Chairperson of the Board in a sealed envelope. The Chairperson of the Board, if deems necessary shall discuss the evaluation results with Individual directors.

Discussions held during the Committee meeting are to be kept confidential among those who attend the meeting. The written evaluation results are not public record. They will be kept in the confidential personnel file of the Independent Director & the Board of Directors and will lie in the custody of the Company Secretary.

In addition, Independent Directors shall hold a meeting at least once in a financial year, without the presence of the Non-Independent Directors of the Company, to review the performance of the

Executive Directors and Board as a whole.

PART C: GUIDELINES FOR DETERMINING REMUNERATION:

The Committee will determine the Remuneration for the Board based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.

a) Non-Executive Independent Director(s):

Non-Executive Independent Directors of the Company shall be paid sitting fees for attending the meeting of the Board and designated committees. The sitting fees shall be decided by the Board of Directors and shall be within the limits as prescribed in the Act. In addition to the sitting fees, Non-Executive Independent Directors shall also be eligible for a commission of not more than 1% of the net profit of the Company as may be approved by the Shareholders. The Board has the power to revise the commission rate provided it is within the limits approved by the shareholders and as per the provisions of the Act.

b) Executive Director(s):

The remuneration payable to the Executive Directors which includes Managing Director and Whole time Director shall be recommended by the Committee and approved by the Board as well as the Shareholders of the Company. All the remuneration payable to the Executive Directors shall be within the limits as prescribed by the Act.

The remuneration includes the following components:

- Salary
- Special Allowance
- Annual Increments
- Performance Incentive (Short Term Incentive & Long Term Incentive)
- Bonus or Award as per the Global policy of Bayer AG.
- Ex-gratia, if applicable
- Any other components in line with Company Policy

The Committee shall approve the merit increase, long term incentive, short term incentive, bonus payable to the Executive Directors and recommend the same to the Board.

c) KMP and Senior Management – Nomination & Remuneration:

Role of the Committee: The Committee is responsible for evaluating the qualifications, expertise, and experience of individuals identified for appointment as Key Managerial Personnel (KMP) or in Senior Management roles within the Company. In identifying suitable candidates, the Committee may rely on the Company's Management, working jointly with the HR head, to ensure the selection aligns with Company's needs.

Remuneration and Incentives: The remuneration for KMP and Senior Management shall comply with the Company's policies and be subject to Committee approval. The Committee will approve and recommend to the Board any merit increases and incentive payments (Long Term Incentive/Short Term Incentive, as applicable).

For expatriates in Executive Director, KMP, or Senior Management roles, the salary will be reviewed semi-annually to account for foreign exchange fluctuations and changes in parameters like cost of living and quality of living, in alignment with Company policy.

d) Remuneration to other employees:

The Company strives to provide performance based, competitive and fair total reward programs to attract, retain and reward the talent. The total rewards programs provide flexibility, while ensuring employees are equally rewarded and treated in a fair approach. Employees base pay is determined with consideration of elements such as degree of know-how, problem solving capability and accountability, external benchmarks and internal pay equity. Enabling employees to share in Bayer's success is the basis for the Company's variable incentive program.

Remuneration/compensation to other employees will be determined as per the Company Policies and will be in line with the performance of the Company and other metrics as per the policy of the Company from time to time.

PREMIUM ON INSURANCE POLICY

Where any insurance is taken by the Company on behalf of its Non-Executive Directors, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of their remuneration.

Where any insurance is taken by the Company on behalf of its Managing Director/Executive Directors, Key Managerial Personnel, Senior Management Personnel and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be held liable in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

POLICY REVIEW:

- a) **Basis:** This Consolidated Policy is structured according to the Act and SEBI Listing Regulations.
- b) **Amendments Due to Regulatory Changes:** Should subsequently changes in applicable laws or regulations render any part of this Policy inconsistent, the prevailing laws/regulations will supersede the Policy provisions, which will be updated accordingly.
- c) **Periodic Review:** The Nomination & Remuneration Committee shall periodically review this Consolidated Policy. Any proposed amendments will be recommended by the Committee and subsequently placed before the Board for approval and adoption

DATE OF APPROVAL & AMENDMENT, IF ANY:

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

Amendments:

Revised & Amended on May 24, 2023 & November 13, 2024.
