



**BAYER CROPSCIENCE LIMITED
RELATED PARTY TRANSACTION POLICY**

I. Introduction:

Bayer CropScience Limited (“BCSL” or “the Company”) is dedicated to upholding exemplary standards of corporate governance and ethical, legal conduct in fulfilling its responsibilities. The Company consistently ensures that all business transactions with Related Parties are conducted on an arm’s length basis and fall within the ordinary course of business.

To this end, the Board of Directors, upon the recommendation of the Audit Committee, has adopted this Related Party Transactions Policy (“RPT Policy”) in accordance with Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). The Policy outlines materiality thresholds and establishes a framework for managing Related Party Transactions in compliance with Section 188 of the Companies Act, 2013 (“the Act”), relevant Rules, and SEBI Listing Regulations. Any amendments to the Policy will be considered by the Board of Directors based on the recommendations of the Audit Committee.

This RPT Policy governs transactions between the Company and its Related Parties. Such transactions are deemed appropriate only if they align with the best interests of the Company and its shareholders.

The primary objective of this Policy is to ensure that all Related Party Transactions (“RPTs”) undertaken by the Company are reviewed and approved by the Audit Committee in accordance with the provisions of the Act and SEBI Listing Regulations.

Specifically, the Policy:

1. Establishes guidelines for the identification, approval, reporting, and disclosure of RPTs.
2. Prescribes materiality thresholds and procedures for dealing with RPTs in compliance with Section 188 of the Act and Regulation 23 of the SEBI Listing Regulations, including their amendments.
3. Fulfills the requirement under Regulation 23(1) of the SEBI Listing Regulations to formulate a policy on the materiality of RPTs and the manner of handling such transactions.

The Policy mandates periodic review by the Board of Directors, at least once every three years, to ensure alignment with statutory requirements and evolving governance standards. It also includes provisions for the review and approval process of material Related Party Transactions, ensuring transparency and adherence to regulatory norms.

II. Objectives:

The Board of Directors (the “Board”) of the Company recognizes that RPTs can present potential or actual conflicts of interest or the perception thereof. Therefore, the Board has adopted this RPT Policy to set forth the following objectives:

- Manner of identification and evaluation of RPTs;
- Manner of dealing with Related Party Transactions as per the provisions of the Act and SEBI Regulations;
- Identification of Materiality thresholds for RPTs;
- To ensure that RPTs are carried out in the ordinary course of business and are at arm’s length;
- To ensure that no RPTs may be entered into by the Company, except in accordance with the provisions of this RPT Policy;
- Proper documentation and recording of RPTs;
- To ensure that proper disclosures of the Policy and the RPTs are made.

III. Definition(s):

1. **“Act”** means Companies Act, 2013 including any amendments thereof and Rules framed thereunder including any modification(s), amendment(s), clarification(s), circulars, re-enactments thereof.
2. **“Accounting Standards”** means the standards of accounting or any addendum thereto for companies or class of companies referred to in Section 133 of the Act.
3. **“Arm’s Length Transactions”** means a transaction between two Related Parties that is conducted as if they were unrelated so that there is no conflict of interest. For determining Arm’s Length basis, guidance may be taken from the transfer pricing provisions under the Income-Tax Act, 1961.
4. **“Associate Company”** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.
5. **“Audit Committee”** means a duly constituted committee of Board of Directors of the Company.
6. **“Board of Directors” or “Board”** means Board of Directors of the Company.
7. **“Key Managerial Personnel (KMP)”** in relation to a company, means—
 - a. the Chief Executive Officer or the Managing Director or the Manager;
 - b. the Company Secretary;
 - c. the Whole-time Director;
 - d. the Chief Financial Officer; and
 - e. such other officer as may be prescribed.
8. **“Material Related Party Transaction”** means any transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower. In case of transactions involving payments made to a related party with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per the last audited financial statements, it would be considered as material related party transaction.
9. **“Material Modification(s)”** means any modification(s) in the pricing, quantity, increase in the limit of amounts approved for a Related Party Transaction with a Related Party in a financial year, any other modification which as per the directions of the Audit Committee may be deemed material on case-to-case basis or overall transaction value having an upward variance of 20% (increase) or more in the relevant previously approved related party transaction.
10. **“Ordinary Course of Business”** The transaction / activity can be treated as being in the ‘ordinary course of business’ (not exhaustive and cumulative – either or):
 - Covered in the main object/objects incidental to main object in Memorandum of Association;
 - Transactions are necessary and normal;
 - Transactions are reasonable in the context of business;

- Transactions are customary and happen with a certain frequency;
- Transactions that are infrequent but important to the central mission / objective of the business;
- The transaction/activity is carried on a frequent or regular basis or is as per the industry practice; and
- The terms of the transaction/activity are similar to those which would be otherwise applicable to transactions with unrelated parties.

This is not an exhaustive criteria and each transaction would be assessed by the Company considering its specific type, nature, value and circumstances.

11. **“Policy”** means the current Policy on Related Party Transactions, including amendments, if any, from time to time.
12. **“Related Party”** means Related Party as defined Section 2(76) of the Act read with Regulation 2(1)(zb) of the SEBI Listing Regulation.
13. **“Relative”** means Relative as defined in Section 2(77) of the Act.
14. **“Related Party Transaction”** means any transaction involving transfer of resources, services or obligations between the company and the related party, regardless of whether a price is charged. The RPT shall include transactions between:
 - i. The Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
 - ii. The Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the company or any of its subsidiaries, with effect from April 01, 2023.
15. **“Transaction”** with a Related Party shall be construed to include single transaction or a group of transactions in a contract.
16. **“Unforeseen Related Party Transaction”** means a Related Party Transaction, where the need for such transaction cannot be foreseen, the details whereof necessary for seeking an omnibus approval of the Audit Committee are not available and the value of such transaction does not exceed Rupees one crore or Rupees Ten Million per transaction.
17. **“Regulation 23”** means the Regulation No. 23 of the SEBI Listing Regulation.
18. **“SEBI Listing Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.
19. **“Subsidiary”** shall mean subsidiary of the Company as defined under the Act.

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.

IV. Manner of dealing with Related Party Transaction(s):

1. Identification of Related Parties

The Company has formulated guidelines for identification and updating the list of Related Parties

as prescribed under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations. All entities under Common Group Control of Bayer AG shall be considered as Related Party of the Company. Each Director and Key Managerial Personnel shall at the beginning of financial year, disclose to the Company Secretary of the Company their Related Parties and disclose any changes thereto during the financial year as immediately as practicable. The Company shall also identify RPTs, if any, with Directors or Key Managerial Personnel of the holding company/ies or their relatives. The Board shall record/note the disclosure of interest and the Audit Committee will determine whether the transaction does in fact constitute a RPT and require further compliance.

2. Identification of RPTs

The Company has formulated the procedure for identification of RPT's in accordance with Section 188 of the Act read with Section 177 and Regulation 2(1)(zc) of the SEBI Listing Regulation. The Company has devised a process for determining whether the transaction is in Ordinary Course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

3. Procedure for approval of RPTs

All RPT's and subsequent material modifications for related party transactions proposed to be entered into by the Company or its subsidiary shall require prior approval of the Audit Committee. Only those members of the Audit Committee, who are Independent Directors shall approve RPT's.

The Audit Committee may grant omnibus approval for RPT's proposed to be entered into by the Company subject to following conditions:

- i. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with RPT Policy of the Company and such approval shall be applicable in respect of repetitive transactions and approval or any subsequent modification of transactions.
- ii. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interests of the Company.
- iii. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into (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.

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.10 Million per transaction.

- iv. The omnibus approval of the Audit Committee shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.
- v. The Audit Committee shall review at least on quarterly basis the details of RPT's entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.
- vi. Material Related Party Transactions which are proposed to be placed before the Shareholders for approval.

- vii. In the event the Company Management determines transactions with Related Parties may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified by the Committee at its next scheduled meeting.

The remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of Promoter or Promoter Group, shall not require disclosure and shall not require the approval of the Audit Committee/Board.

4. Prior approval of Board of Directors under the Act

All transactions with Related Parties as defined under the Act which are either not in the Ordinary Course of business or are not at Arm's Length shall require prior approval of Board of Directors. Information in such form and manner as prescribed in the Act and / or SEBI Listing Regulations would be provided to the Board.

In the above context where any Director is interested in any contract or arrangement with a Related Party such Director shall not be present during the discussion and vote on the subject matter of the Resolution relating to such contract or arrangement.

5. Approval of shareholders

Transaction with Related Parties covered within the scope of Section 188 of the Act, which are either not in the ordinary course of business or not on 'arm's length basis and exceeds the threshold under section 188 of the Act shall require prior approval of the shareholders through ordinary resolution. No member of the Company shall vote on such resolution, to approve the contract or arrangement which may be entered by the Company, if such member is a Related Party.

All material related party transactions and subsequent material modifications to such transactions as defined by the Audit Committee 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.

6. RPTs not approved under this Policy

In the event the Company becomes aware of a RPT that has not been approved or ratified under this RPT Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as the case may be required in accordance with this RPT Policy for review and ratification.

The Audit Committee or the Board of Directors or the shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as Audit Committee deems appropriate under the circumstances.

7. Ratification of Transactions

In the event the Company becomes aware of any RPT that is in deviation of this Policy and/or omnibus approval has not been taken as per the requirement of this Policy and the Act and Regulations, then such transactions shall be placed before the Audit Committee/ Board of Directors (as applicable) within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed INR Ten Million;
- ii. the transaction is not material in terms of the provisions of this regulation;
- iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- iv. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of this regulation;
- v. any other condition as specified by the Audit Committee.

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any Director, or is authorised by any other Director, the Director(s) concerned shall indemnify the Company against any loss incurred by it.

8. Deemed Approval

Arrangements and transactions addressed under separate provisions of the law and executed through approvals/procedures from the relevant committee shall be considered approved under this Policy. The following transactions qualify under this principle:

- a. **Key Managerial Personnel:** Appointment and payment of remuneration, including any variations, to Key Managerial Personnel in line with the approval of the Nomination and Remuneration Committee.
- b. **Director's Remuneration:** Payment of remuneration, fees, commissions, or other amounts to Directors of the Company as approved by the Nomination and Remuneration Committee.
- c. **Share-Based Benefits:** Grant or issuance of stock options, stock appreciation rights, or other share-based benefits, as well as related payments to or from Directors, Key Managerial Personnel of the Company, or their counterparts in subsidiaries/associates, under share-based incentive plans approved by shareholders.
- d. **Ownership Benefits:** Entitlements arising from the ownership of company shares by Related Parties, such as dividends, rights issues, stock splits, or bonus shares, provided these are in line with approvals from the Board.
- e. **Corporate Social Responsibility:** Contributions made under Corporate Social Responsibility (CSR) to eligible entities, based on the approval of the Board or the Corporate Social Responsibility Committee.

II. 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 as applicable 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.

The approved yearly thresholds for the Related Party Transactions shall be considered and read to be a part of this Policy.

5. 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.

This RPT Policy was adopted by the Board on July 24, 2014 and was reviewed & amended with effect from February 02, 2018, February 11, 2021, March 24, 2022 and February 11, 2025.