



ASIAN PAINTS LIMITED

WHISTLE BLOWER POLICY

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Second Revision on : 22nd January, 2018
Third Revision on : 10th May, 2018
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I. Introduction

The Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers, shareholders, and business associates in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity, and ethical behavior. The Company encourages all its stakeholders, who know or suspect any discrimination, harassment, victimization, or any unfair practices, which is not in line with the Company's Code of Conduct or law of the land, to come forward and raise it through this Policy.

This policy is an extension of the Company's Code of Conduct and should be read with various policies under the Code of Conduct. This policy is issued pursuant to Section 177 of the Companies Act, 2013 Information ("UPSI").

The objective of this Whistle Blower Policy ("Policy") is:

- a. to provide all its stakeholders a framework and formal mechanism or process whereby concerns can be raised;
- b. to encourage its stakeholders to report incidents of unfair and fraudulent practices regarding the Company; and
- c. to provide protection to those who report such irregularities or unfair practices including instances of leak of UPSI.

Notwithstanding anything provided in this Policy, all incidents and instances of leak or suspected leak of UPSI reported by any of the stakeholders under this Policy, shall be decided and resolved in the manner as set out under the "Policy and Procedures for Inquiry in the Event of Leak or Suspected Leak of UPSI".

II. Definitions

- A. "Asian Paints Ethics Hotline" is a tool to enable employees report any instances of fraud, abuse or misconduct or malpractices at workplace.
- B. "Audit Committee" means the Audit Committee constituted by the board of directors of the Company in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the LODR Regulations, as amended from time to time.
- C. "Compliance Officer" shall be the Company Secretary of Asian Paints Limited.
- D. "Company" shall mean Asian Paints Limited.
- E. "Disciplinary Action" means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

- F. “Employee” for the purpose of this Policy means every employee of the Company (whether working in India or abroad) including employees seconded to the subsidiaries and/or any Joint Venture and/or associate companies of the Company and of the subsidiaries or Joint Venture companies and people employed on contractual basis.
- G. “Ethics Committee” means a Committee which shall comprise of the Managing Director & CEO, the CFO & Company Secretary, and the Chief Human Resources Officer, for the purpose of receiving and investigating all complaints, Protected Disclosures, and any matter in connection therewith, as per directions, if any, by the Audit Committee under this Policy.
- H. “Protected Disclosure” means any communication made in good faith that discloses or contains certain information by a written/oral communication through any channels as mentioned in Point V (c) of this Policy, which evidences unethical or improper activity in relation to the Company including leak of UPSI.
- I. “Unpublished Price Sensitive Information” or “UPSI” shall have the meaning assigned to it under the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons adopted by Asian Paints Limited.
- J. “Whistle Blower” is someone who discloses a Protected Disclosure under this Policy.

III. Scope of Policy

The Policy covers any concern with respect to unlawful or unethical or improper practice or act or activity that could have grave impact on the operations, performance of the business or reputation of the Company and may include, but is not limited to, any of the following:

- i. Abuse of authority by an employee or biased or favored approach or behavior;
- ii. Breach of contract with the company;
- iii. Negligence causing substantial and specific danger to public health and safety and the environment;
- iv. Manipulation of company data /records;
- v. Disclosure of confidential / proprietary information to unauthorized personnel;
- vi. Financial irregularities, including fraud, or suspected fraud;
- vii. Criminal activity or offence affecting operations or functioning of the Company;
- viii. Unauthorized disclosure of confidential/propriety/ Price Sensitive information;
- ix. Deliberate violation of law/regulation/ legal obligation;
- x. Wastage/misappropriation of company funds/assets;
- xi. Breach of Code of Conduct of the Company or the Policy for Prevention of Sexual Harassment or any other rule or Policy as may be formulated by the Company from time to time;
- xii. Leak of UPSI; and
- xiii. Any other unethical, biased, favoured, or fraudulent activity.

IV. Disqualification

This Policy should not be misused by any person to make frivolous or malicious or bogus disclosures to the Ethics Committee and /or the Audit Committee.

Whistle Blowers, who make a minimum of 2 (two) Protected Disclosures, which have been subsequently found to be frivolous or bogus with *mala fide* intent, will be disqualified from reporting further Protected Disclosures under this Policy for such period as the Ethics Committee or Chairperson of the Audit Committee may decide. The Ethics Committee and / or the Chairman of the Audit Committee may impose a penalty or decide that Disciplinary Action may be taken against such Whistle Blowers.

V. Procedure for making Protected Disclosure

a) Employees:

Employees can make Protected Disclosures to the Ethics Committee, on becoming aware of any wrongful conduct or activity or leak of any UPSI, as soon as possible through any of the channels mentioned in Point V (C) of this Policy. Detailed FAQs (Frequently Asked Questions) regarding the Asian Paints Ethics Hotline are available on the intranet website of the Company. Employees may refer the same for using the Asian Paints Ethics Hotline for making Protected Disclosures.

b) Stakeholders:

Stakeholders can make Protected Disclosures to the Ethics Committee, on becoming aware of any wrongful conduct or activity or leak of any UPSI as soon as possible through any of the following channels.

c) Reporting Channel:

1. In the form of a letter (handwritten or typed) written in English, Hindi or in the regional language of the place of employment of the Whistle Blower. It should be marked as private and confidential and sent to the below mentioned address:

Ethics Committee, Asian Paints Limited
6A, Shantinagar, Santacruz (East),
Mumbai – 400 055

2. Through toll free number [000-800-100-1622] and/or web reporting facility of Asian Paints Ethics Hotline <http://asianpaints.ethicspoint.com/>.
3. In the form of an email and shall be e-mailed at the following email id, which shall be accessed by the members of the Ethics Committee
whistle.blower@asianpaints.com
4. Protected Disclosures can also be reported orally to any of the members of the Ethics Committee. Oral reports will be subsequently documented by the Ethics Committee for onward investigation.

d) Procedure:

1. If a protected disclosure is received by any other employee of the Company other than the Ethics Committee, the same should be forwarded immediately to the Ethics Committee for further appropriate action. Such Employee should not disclose the identity of Whistle Blower and Protected Disclosure made to anyone other than Ethics Committee and appropriate care must be taken to keep the identity of the Whistle Blower confidential.
2. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised.
3. The Company encourages and strongly recommends that the Whistle Blower discloses his/her name in the Protected Disclosure.
4. The Company encourages and strongly recommends that the Protected Disclosure contains necessary and relevant details of the fraud or misconduct or suspected fraud or misconduct or any other unfair practice including, the name and designation of the Employees or any other person who have engaged or who may have engaged, in the opinion of the Whistle Blower, in the misconduct or fraud or any other unfair practice or leak of UPSI, name and contact number of the Whistle Blower (if the complaint is not intended to be filed anonymously), information or copy(ies) of the documentary proof or evidence in support of the complaint, if any and the impact/effect, either monetary or otherwise, on the Company, if possible; and
5. In the following circumstances the Protected Disclosure can be made directly to the Chairperson of the Audit Committee of the Board of Directors of the Company.
 - a. If the Whistle Blower is of the opinion or has a reasonable doubt that the members of the Ethics Committee or the Investigating Officer are part of the Protected Disclosure or
 - b. In exceptional circumstances, where the matter is of grave nature,
 - c. The Disclosure can be made to the Chairperson of the Audit Committee of the Board of Directors at the following address:

Chairperson of the Audit Committee of the Board of Directors Asian Paints Limited, 6A, Shantinagar, Santacruz (East), Mumbai – 400 055
auditcommitteechair@asianpaints.com

VI. Investigation

a) For Protected Disclosures received by Ethics Committee

Ethics Committee will make an initial enquiry of Protected Disclosure received by them. If an initial enquiry by the Ethics Committee confirms that the Protected Disclosure has no basis, or it is not a matter to be taken up for investigation under this Policy, the Protected Disclosure may be dismissed, and the decision will be documented for future reference.

If the initial inquiry by the Ethics Committee, indicates that the matter disclosed under Protected Disclosure needs to be investigated further, they may order investigation and inquiry and appoint such person or persons as they may consider necessary for conducting the investigation (hereinafter referred to as “Investigation Officer”)

b) For Protected Disclosures received by Chairperson of the Audit Committee

The Chairperson of the Audit Committee will make an initial enquiry of Protected Disclosure received by him/her. If an initial enquiry by the Chairperson of the Audit Committee confirms that the Protected Disclosure has no basis, or it is not a matter to be taken up for investigation under this Policy, the Protected Disclosure may be dismissed, and the decision will be documented for future reference.

If the initial inquiry by the Chairperson of the Audit Committee, indicates that the matter disclosed under Protected Disclosure needs to be investigated further, Chairperson of the Audit Committee may order investigation and inquiry and appoint such person or persons as they he/she may consider necessary for conducting the investigation (hereinafter referred to as “Investigation Officer”)

c) Investigation Procedure

- i. The inquiry/ investigation shall be conducted in a fair manner and provide an equal opportunity for hearing to the affected party.
- ii. The Investigation Officer shall hold inquiry in the matter and shall submit a report to Ethics Committee / Chairperson of the Audit Committee not later than 45 days from the date on which the Protected Disclosure was received by the Ethics Committee Chairperson of Audit Committee. The Investigation Officer may seek an extension for submitting the report to the Ethics Committee / Chairperson of Audit Committee for a further period of 30 days or such other period, which may be allowed at the discretion of the Ethics Committee / Chairperson of Audit Committee provided that there is sufficient cause shown by the Investigation officer for extending the time period.
- iii. The Whistle Blower is expected to co-operate with the Investigation Officer, when the matter is under inquiry and is expected to disclose such information or provide documents as may be required for the purpose of the investigation.
- iv. The Investigation Officer may appoint external advisers as consultants to assist them in the inquiry, if necessary.
- v. On submission of report, the Ethics Committee / Chairperson of Audit Committee may:

- a. In case the Protected Disclosure is proved, order such Disciplinary Action as the Ethics Committee / Chairperson of the Audit Committee may think fit and may order adoption of preventive measures to avoid recurrence of the matter

Or

Depending upon the seriousness of the matter, may refer the matter to the Audit Committee of the Company with its recommendations. The Audit Committee may order such Disciplinary Action, with or without modifications to recommendations of the Ethics Committee, as it may deem fit and may order adoption of preventive measures to avoid reoccurrence of the matter.

A summary of all Disciplinary Actions taken by the Ethics Committee / Chairperson of the Audit Committee must be reported periodically to the Audit Committee and the Board of Directors of Asian Paints Limited. In the case of an employee in a subsidiary, the summary must also be reported to the Audit Committee of the Board of the subsidiary or the board of directors of the subsidiary.

- b. In case the Protected Disclosure is not proved, close the matter, and record the investigation findings for future reference.

VII. Protection

- a. It shall be ensured that the Whistle Blower, if he/she is an Employee, shall be protected from any adverse action which may include but is not limited to unfair termination of employment, demotion, suspension, decision not to promote, unwarranted performance rating, harassment, biased behaviour, withholding of salary, imposition of transfer or re- assignment, denial of rewards, leave, benefits for which he/she is eligible, or any other significant changes in the job; which may arise solely out of him/her making the Protected Disclosure or due to the ongoing investigation or on report being submitted to the Ethics Committee.
- b. It shall be ensured that the Whistle Blower, shall be protected from any adverse action which may include but is not limited to unfair termination of the contract, unfair withholding the payments due, non- acceptance of the goods sent by the vendors for delivery or any other unfair act which may arise solely out of the concerned person making the Protected Disclosure or due to ongoing investigation or on report being submitted to the Ethics Committee.
- c. Protection under this Policy would not mean protection from disciplinary / penal action arising out of false or bogus allegations made by a whistle-blower knowing it to be false or bogus or with a *mala fide* intention and shall not preclude the company/APL/ Ethics Committee to initiate action against such person.
- d. The identity of the Whistle Blower shall be kept confidential. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.
- e. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

- f. In case of occurrence of any adverse action towards the Whistle Blower being an Employee or any other stakeholder, he/she shall directly have the right to approach the Chairperson of the Audit Committee.

VIII. Secrecy/Confidentiality

The Whistle Blower, the Ethics Committee, the Investigation Officer and any other person involved in the investigation shall maintain complete confidentiality secrecy of the matter, other than if required by any applicable law. All matters reported through the Asian Paints Ethics Hotline will also be completely confidential. If any Employee is found not complying with the above, he/she shall be held liable for such disciplinary action as is considered fit by Ethics Committee.

IX. Retention of documents

All Protected Disclosures in writing or documented or through the Asian Paints Ethics Hotline along with the results of investigation relating thereto shall be retained by the Company for a minimum period of three years.

X. Amendment

Subject to the review of the amendment by the Audit Committee, the board of directors of the Company shall have the authority to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever and communicating the same to the Employees or any other stakeholders of the Company.

XI. Dissemination

pThis Policy shall be appropriately communicated within the Company including by way of putting the Policy on the intranet of the Company, making it as a part of employee handbooks, etc. A copy of this Policy shall be provided to every Employee on requisition. The establishment of the vigil mechanism shall also be disclosed on the Company's website and in the Report of the Company's board of directors.