

Draft letter for appointment/ re-appointment of Independent Directors

Date [•]

To,

[•] Name of the Independent Director

[•] Address of the Independent Director

Sub: **Appointment/ Re-appointment as an Independent Director of the Company**

Sir/ Madam,

We thank you for confirming to us that you meet the "independence criteria" as provided under Section 149 and other applicable provisions of the Companies Act, 2013 ("the Act") and Regulation 16 of the Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations") and for consenting to hold office as an Independent Director of the Company (*in case of appointment*).

It gives me great pleasure to inform you that your appointment/ re-appointment as an Independent Director on the Board of Directors of the Company, starting from [•] to [•], has been approved by the shareholders of the Company.

This letter is being issued outlining the terms of your appointment/ re-appointment, subject to the provisions of applicable laws including the provisions of the Act and the Listing Regulations.

1. Appointment/ Re-appointment:

Your appointment/ re-appointment as an Independent Director on the Board of the Company shall be from [•] to [•]. Your office shall not be liable to retire by rotation in accordance with the provisions of the Act.

Re-appointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee, report of performance evaluation and subject to approval of the Board and shareholders of the Company (*in case of appointment*).

The Board may from time to time request you to participate in one or more Committees of the Board of Directors, subject to your agreement. The list of Committees of the Board and their terms of reference is appended and marked as **Annexure I** for your reference.

As of now, meetings of the Board and its Committees are held in Mumbai and if for any reason, you cannot make it to a meeting, you can connect via video conference facility, in accordance with the provisions of the Act. The Annual General Meeting of the Company is also held in Mumbai.

2. Role & Duties:

The Company expects its Directors to uphold ethical standards of integrity and probity. As an Independent Director, you shall be required to undertake such roles, responsibilities, duties & functions as prescribed in Schedule IV and such other applicable provisions, if any, of the Act, Listing Regulations, other applicable laws and such other duties as may be determined by the Board from time to time.

As an Independent Director of the Company you shall be required to bestow all the fiduciary duties along with the accompanying liabilities that come with your appointment as an Independent Director.

A copy of Code for Independent Directors as per Section 149(8) along with extracts of relevant provisions of the Act and Listing Regulations is enclosed and marked as **Annexure II** for your reference.

3. Directors and Officers insurance:

The Company has availed a Directors and Officers Liability and Company Reimbursement Insurance Policy which extends to the Company, its Directors and subsidiaries/ Joint Venture's including representatives of the Company on their Board. Quantum, risks determined, and other parameters provided in the Policy were found to be commensurate with the size and nature of business of the Company by the Board of Directors at their meeting held on 22nd October, 2018.

The said Policy shall continue to remain extended to you (*in case of re-appointment*).

The said Policy shall be extended to you (*in case of appointment*).

4. Code of Conduct:

The following Codes of Business ethics are applicable to the Independent Directors:

- a. Code of Conduct to Regulate, Monitor and Report Trading by Insiders;
- b. Code of Conduct for Directors and Senior Management Personnel; and
- c. such other codes as may be prescribed, subject to the approval of the Board, from time to time.

A copy of the aforementioned Codes are appended and marked as **Annexure III** for your reference.

An Independent Director shall not perform any actions which are in violation of the provisions of law and Codes and Policies of the Company.

With the acceptance of this letter you agree to comply with such charters and policies, as may be applicable to the Company and its Directors and acknowledge that you are in conformity with them.

5. Remuneration:

A Non-Executive Director shall be entitled to remuneration by way of commission paid annually and sitting fees for attending meetings of the Board and its Committees in accordance with the provisions of the Act.

Board Sitting Fees:

The sitting fees payable for your attendance at each Board Meeting and meeting of the Committee, in which you may be nominated as a member, shall be as determined by the Board from time to time.

Commission:

As per the provisions of Section 197(1)(ii) of the Act the remuneration payable to the non-executive directors shall not exceed 1% of the net profit of the Company calculated under Section 198 of the Act read with Companies (Appointment and Remuneration) Rules, 2014.

The commission, as approved by the Board, in accordance with the provisions of Section 197 of the Act shall be paid annually for each financial year, on such criteria as may be determined by the Board.

In addition, you will also be paid /reimbursed all travel (by business class) and hospitality expenses related to your assignment as a Member of the Board or its Committees.

6. Disclosures:

During your term, you may promptly notify the Company, any changes in your directorships and submit such disclosures, information and details as may be required under applicable law. During your tenure, you agree to provide a "Declaration of independence" under Section 149(7) of the Act upon any change in circumstances which may affect your status as an Independent Director of the Company.

7. Confidentiality:

All non-public information obtained during your appointment is confidential to the Company and should not be released, either during your appointment or following cessation (by whatever means) to third parties without prior clearance from the Chairman, or as required by law.

8. Resignation/ Removal:

Notwithstanding the other provisions of this letter, your appointment may be terminated at any time by the Board in accordance with the provisions of the Act and Articles of Association of the Company or that you may resign by written notice.

9. Change in Personal details:

During the term, you shall promptly intimate the Company Secretary in the prescribed manner of any change in the address or other contact and personal details provided to the Company.

I look forward to welcoming you on the Board. I am sure that the Board and the Company will benefit substantially from your valuable contribution and inputs (*in case of appointment*).

I am sure that your continued association with the Board and the Company will be substantially beneficial (*in case of re-appointment*).

Yours sincerely,

Ashwin Dani
Chairman
Asian Paints Limited

Encl: a/a

ANNEXURE I

List of Committees of the Board of Directors of the Company along with their terms of reference: -

Sr. No.	Name of the Committee
A.	Audit Committee
B.	Nomination and Remuneration Committee
C.	Stakeholders Relationship Committee
D.	Corporate Social Responsibility Committee
E.	Shareholders Committee
F.	Risk Management Committee

A. AUDIT COMMITTEE

Terms of reference:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management quarterly, half-yearly, nine- months and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Sec 134(3)(c) of the Companies Act, 2013;
 - b. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
 - c. Compliance with listing and other legal requirements relating to financial statements;
 - d. Disclosure of any related party transactions; and
 - e. Modified opinion(s) in the draft audit report, if any.
5. Reviewing the financial statements and investments made by unlisted subsidiary companies (including joint ventures);
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
 - a. qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
 - b. whether such qualifications and experience are commensurate with the size and requirements of the company; and
 - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;

8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditors;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies system of the Company;
16. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. Review of internal audit reports relating to internal control weaknesses and discuss with internal auditors any significant findings and follow-up thereon;
18. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
19. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the Company by its officers/employees;
20. Approval or any subsequent modification of transactions of the company with related parties;
21. Reviewing the statements of significant related party transactions submitted by the management;
22. Reviewing and scrutinizing the inter-corporate loans and investments;
23. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy and overseeing the functioning of the same;

24. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
25. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services along with approval of payment to statutory auditors for the same;
26. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
27. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
28. Appointing registered valuers and defining the terms and conditions for conducting the valuation of undertakings/ assets/net-worth/liabilities of the Company, wherever it is necessary. Reviewing the valuation report and follow-up thereon;
29. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
30. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
31. Review and approve, policy formulated for determination of material subsidiaries;
32. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions; and
33. Any other matter referred to by the Board of Directors.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

1. Formulate a criterion for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
3. Devise a policy on Board Diversity;
4. Identify 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 their appointment and removal;

5. Specify methodology for effective evaluation of performance of Board/committees of the Board and review the terms of appointment of Independent Directors on the basis of the report of performance evaluation of the Independent Directors;
6. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company;
7. Recommend to the board all remuneration, in whatever form, payable to senior management; and
8. Undertake any other matters as the Board may decide from time to time.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Terms of reference:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of reference:

1. Recommend the amount of expenditure to be incurred on the activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

E. SHAREHOLDERS COMMITTEE

Terms of reference:

1. To issue share certificates pursuant to duplicate/remat/renewal requests as and when received by the Company;
2. To approve the register of members as on the record date(s) and/or book closure date(s) for receiving dividends and other corporate benefits;
3. To review correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard; and
4. To authorize affixing of the Common seal of the Company from time to time on any deed or other instrument requiring authentication by or on behalf of the Company, and
5. Such other activities as the Board of Directors may determine from time to time.

F. RISK MANAGEMENT COMMITTEE

Terms of reference:

1. Framing a risk management policy;
2. Identify Company's risk appetite set for various elements of risk;
3. Review the risk management practices and structures and recommend changes to ensure their adequacy;
4. Approve and review the risk treatment plans put in place by management;
5. Ensure adequacy of risk management practices in the Company; and
6. Such other activities as the Board of Directors may determine from time to time.

ANNEXURE II

Chapter XI – APPOINTMENT AND QUALIFICATIONS OF DIRECTORS

Section 149 of the Companies Act, 2013 – Company to have Board of Directors.

(1) Every company shall have a Board of Directors consisting of individuals as directors and shall have—

(a) a minimum number of three directors in the case of a public company, two directors in the case of a private company, and one director in the case of a One Person Company; and

(b) a maximum of fifteen directors:

Provided that a company may appoint more than fifteen directors after passing a special resolution:

Provided further that such class or classes of companies as may be prescribed, shall have at least one woman director.

(2) Every company existing on or before the date of commencement of this Act shall within one year from such commencement comply with the requirements of the provisions of sub-section (1).

(3) Every company shall have at least one director who stays in India for a total period of not less than one hundred and eighty-two days during the financial year:

Provided that in case of a newly incorporated company the requirement under this sub-section shall apply proportionately at the end of the financial year in which it is incorporated.

(4) Every listed public company shall have at least one-third of the total number of directors as independent directors and the Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies.

Explanation. —For the purposes of this sub-section, any fraction contained in such one-third number shall be rounded off as one.

(5) Every company existing on or before the date of commencement of this Act shall, within one year from such commencement or from the date of notification of the rules in this regard as may be applicable, comply with the requirements of the provisions of sub-section (4).

(6) An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director, —

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b)(i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives—

(i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

(ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

(iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

(f) who possesses such other qualifications as may be prescribed.

(7) Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6).

Explanation. —For the purposes of this section, “nominee director” means a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests.

(8) The company and independent directors shall abide by the provisions specified in Schedule IV.

(9) Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

(10) Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

(11) Notwithstanding anything contained in sub-section (10), no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Explanation. —For the purposes of sub-sections (10) and (11), any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under those sub-sections.

(12) Notwithstanding anything contained in this Act, —

(i) an independent director; &

(ii) a non-executive director not being promoter or key managerial personnel, shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

(13) The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

Chapter XI – APPOINTMENT AND QUALIFICATIONS OF DIRECTORS

Section 166 of the Companies Act, 2013 – Duties of directors.

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

SCHEDULE IV

Code for Independent Directors

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:

(a) the term of appointment;

(b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

(c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

(d) provision for Directors and Officers (D and O) insurance, if any;

(e) the Code of Business Ethics that the company expects its directors and employees to follow;

(f) the list of actions that a director should not do while functioning as such in the company; and

(g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply

VII. Separate meetings:

(1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;

(2) All the independent directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

(a) review the performance of non-independent directors and the Board as a whole;

(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Note: The provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), if the requirements in respect of matters specified in these paragraphs are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Government and such requirements are complied with by the Government companies.

SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Regulation 25 – Obligations with respect to Independent Directors

(1) No person shall be appointed or continue as an alternate director for an independent director of a listed entity with effect from October 1, 2018.

(2) The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

(3) The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

(4) The independent directors in the meeting referred in sub-regulation (3) shall, *inter alia*-
(a) review the performance of non-independent directors and the board of directors as a whole;
(b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

(5) An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations.

(6) An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later:

Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.

(7) The listed entity shall familiarize the independent directors through various programmes about the listed entity, including the following:

- (a) nature of the industry in which the listed entity operates;
- (b) business model of the listed entity;
- (c) roles, rights, responsibilities of independent directors; and
- (d) any other relevant information.

(8) Every independent director shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

(9) The board of directors of the listed entity shall take on record the declaration and confirmation submitted by the independent director under sub-regulation (8) after undertaking due assessment of the veracity of the same.

(10) With effect from October 1, 2018, the top 500 listed entities by market capitalization calculated as on March 31 of the preceding financial year, shall undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of such quantum and for such risks as may be determined by its board of directors.

Regulation 26 – Obligations with respect to employees including senior management, key managerial persons, directors and promoters

(1) A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:

(a) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;

(b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

(2) Every director shall inform the listed entity about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.

(3) All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis.

(4) Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director.

(5) Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

Explanation. - For the purpose of this sub-regulation, conflict of interest relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.

(6) No employee including key managerial personnel or director or promoter of a listed entity shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution:

Provided that such agreement, if any, whether subsisting or expired, entered during the preceding three years from the date of coming into force of this sub-regulation, shall be disclosed to the stock exchanges for public dissemination:

Provided further that subsisting agreement, if any, as on the date of coming into force of this sub-regulation shall be placed for approval before the Board of Directors in the forthcoming Board meeting:

Provided further that if the Board of Directors approve such agreement, the same shall be placed before the public shareholders for approval by way of an ordinary resolution in the forthcoming general meeting:

Provided further that all interested persons involved in the transaction covered under the agreement shall abstain from voting in the general meeting.

Explanation - For the purposes of this sub-regulation, 'interested person' shall mean any person holding voting rights in the listed entity and who is in any manner, whether directly or indirectly, interested in an agreement or proposed agreement, entered into or to be entered into by such a person or by any employee or key managerial personnel or director or promoter of such listed entity with any shareholder or any other third party with respect to compensation or profit sharing in connection with the securities of such listed entity.

ANNEXURE III



ASIAN PAINTS LIMITED

CODE OF CONDUCT TO

REGULATE, MONITOR AND REPORT TRADING BY

INSIDERS

Approved on : 18th May, 2015
First Revision on : 18th January, 2016
Second Revision on : 23rd January, 2017
Third Revision on : 22nd January, 2018
Fourth Revision on : 10th May, 2018
Fifth Revision on : 24th July, 2018



1. SCOPE AND APPLICABILITY:

1. This Code of Conduct is called **“ASIAN PAINTS LIMITED – CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS”** (hereinafter referred to as ‘the Code of Conduct’).
2. The Code of Conduct will come into force immediately.
3. The Code of Conduct will apply to the following who are collectively referred to as “Insiders” in this Code:
 - a. Connected Persons;
 - b. any other person who is in possession of or has an access to Unpublished Price Sensitive Information, directly or indirectly.

2. OBJECTIVE:

This Code of Conduct has been formulated to regulate, monitor and report trading undertaken by the Employees including Directors of Asian Paints Limited (hereinafter referred to as “the Company”) and other Connected Persons in the Securities of the Company and towards achieving compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also incorporates the minimum standards as set out in Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as may be modified from time to time.

The objective of the Code of Conduct is to ensure protection of Unpublished Price-Sensitive Information and to ensure that the Insiders and those covered by the Code of Conduct abstain from transacting in the Securities of the Company before the same has been communicated in public.

The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

3. DEFINITIONS:

- a. “Act” means the Securities Exchange Board of India Act, 1992 including amendments and modifications thereto;
- b. “Board” means the Board of Directors of the Company as appointed from time to time;
- c. “Chairman” shall mean the Chairman of the Board, as appointed from time to time;
- d. “CEO” means the Chief Executive Officer of the Company;
- e. “Company” means Asian Paints Limited;
- f. “Code of Conduct” or “the Code” or “this Code” means the Asian Paints Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders;
- g. “Connected Person” means:
 - (i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected

to allow such access.

- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be Connected Persons unless the contrary is established, -
- (a) an Immediate Relative of Connected Persons specified in clause (i); or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognised or authorized by SEBI; or
 - (i) a banker of the company; or
 - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his Immediate Relative or banker of the company, has more than ten per cent. of the holding or interest;
- h. "Designated Persons" shall have the meaning ascribed to the term in Paragraph 5(3) of this Code;
- i. "Director" means a member of the board of directors of the Company, as appointed from time to time;
- j. "Generally Available Information" means information that is accessible to the public on a non-discriminatory basis;
- k. "Immediate Relative" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to Trading in Securities. For clarity, the term where ever used in this Code shall also include any other person for whom Trading decisions are being taken by such person;
- l. "Managing Director" means the Managing Director of the Company or any other person designated as such from time to time;
- m. "Promoters" shall have the same meaning as ascribed to it in Section 2(69) of the Companies Act, 2013;
- n. "Quiet Period" shall have the meaning ascribed to such term in paragraph 7 (2) (a);
- o. "Relatives" shall mean and include relatives as defined under Section 2(77) of the Companies Act, 2013. For clarity, the term where ever used in this Code shall also include any other person for whom Trading decisions are being taken.
- p. "Regulations" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including any amendment or reenactment thereof.
- q. "SEBI" shall mean the Securities and Exchange Board of India;

- r. "Securities" or "Shares" means the equity / preference shares, ADRs, debentures or any other security of the Company which is listed on any Stock Exchange whether in India or overseas and related stock market derivatives, for the avoidance of doubt, with reference to the Company, has the meaning assigned to it under the Securities Contract (Regulation) Act, 1956 or any modification thereof, but does not include units of a mutual fund.
- s. "Stock Exchanges" means all the stock exchanges where the shares of the Company are listed.
- t. "Threshold limit" means the minimum number of Securities or the value of Securities, as decided by the Board of the Company from time to time. For the time being any Trade involving a value up to Rupees Five Lakhs in a financial year, i.e., April 1 of a year to the March 31, will be the threshold limit. The Threshold limit will not apply to the Directors, their Relatives and Promoters.
- u. "Trading in Securities" means and includes subscribing, buying, selling, dealing, pledging, or agreeing to subscribe, buy, sell, pledge, or deal in any Securities either as principal or agent and "Trade" shall be construed accordingly;
- v. "Trading Window" means the period during which Trading in the Securities of the Company is permitted by those governed by this Code.
- w. "Trading Day" means a day on which the Stock Exchanges are open for Trading;
- x. "Unpublished Price Sensitive Information" means any information which relates directly or indirectly to the Company, or its Securities, that is generally not available, and which in the opinion of the Compliance Officer and the Managing Director, on being Generally Available, is likely to materially affect the price of Securities of Company, including but not restricted to, information relating to the following:
 - (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel; and
 - (vi) material events in accordance with Regulation 30 of the SEBI (LODR) Regulations, 2015
- y. "Working Day" will mean the day on which the Corporate Head Office of the Company is working.

Words and expressions used but not defined in these Regulations will have the same meaning as contained in (i) SEBI (Prohibition of Insider Trading) Regulations, 2015, (ii) the Act, and (iii) the Companies Act, 2013 read with rules framed thereunder, as may be modified from time to time.

4. COMPLIANCE OFFICER

1. Shri R J Jeyamurugan, Vice President – Finance shall be the Compliance Officer and he will report to the Shri Jayesh Merchant, CFO & Company Secretary, President- Industrial JVs.
2. The Compliance Officer shall provide periodic reports to the Chairman of the Audit Committee of the Company at such frequency as stated by the Board, from time to time, including all the details of the Trading in Securities of the Company by the Designated Persons and the accompanying documents such persons had executed under the pre- clearance procedure as envisaged in this Code.
3. The Compliance Officer will be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre- clearing of Insider's Trades, monitoring of Trades and implementation of the Code of Conduct.



4. The Compliance Officer will assist the Insiders in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.
5. All Insiders will be provided a copy of the Code of Conduct by the Compliance Officer, on the Code coming into effect and they will confirm having received it, and acknowledge that they undertake to confirm to the stipulations and obligations under the Code, in the interest of maintaining highest standards of corporate governance and ethics as provided for in paragraph 12 on Reporting Requirements.
6. The Compliance Officer will propose necessary changes to the Code of Conduct, as and when the same are necessitated. The proposal will be considered by the Board and, if approved, will take effect immediately following the meeting of the Board in which such proposals are approved.
7. The Compliance Officer shall in consultation with the Board inform SEBI of any material violation of the Regulations.
8. The Compliance Officer may engage an external consultant for deploying an electronic platform to automate the compliances under this Code including seeking disclosures and undertakings from Designated Persons, sending intimations to Designated Persons regarding Closure of Trading Window, etc.

5. IDENTIFICATION OF DESIGNATED PERSONS

1. Designated Persons shall be identified basis their functional role in the organization and shall be governed by this Code of Conduct whilst Trading in the Securities of the Company.
2. The Board shall in consultation with the Compliance Officer lay down the criteria for identification of Designated Persons to be covered by this Code of Conduct. Due regard shall be had to the access that such role and function would provide to Unpublished Price Sensitive Information in addition to seniority and professional designation.
3. The term "Designated Persons" will mean and consist of certain Connected Persons i.e. :
 - (i) All the Directors of the Company;
 - (ii) Relatives of the Directors of the Company;
 - (iii) Promoters of the Company;
 - (iv) All employees of the Company in the grade M5 and above;
 - (v) Key Managerial Personnel of the Company;
 - (vi) All employees of the 'Finance', 'Accounts', 'Audit', 'Taxation', 'Legal and Secretarial' functions of Corporate Finance of the Company, irrespective of their grade;
 - (vii) All employees in finance functions of respective business units/ business verticals;
 - (viii) Directors, Chief Executives and the head of Accounts and Finance (by whatever name called) of the Associate Companies, Joint Venture Companies and subsidiaries;
 - (ix) Personal assistants, if any, of the Directors and of the employees referred to at (i) and (iv) above;
 - (x) Any other employees as may be designated/ notified by the Compliance Officer in consultation with the Managing Director of the Company from time to time;



- (xi) Immediate Relatives of persons specified in (iv) to (ix) above.
4. The Compliance Officer may in consultation with the Managing Director determine and include such other Connected Person or class of Connected Persons, including their Immediate Relatives, from time to time to whom the restrictions on Trading in Securities of the Company will apply. However, due regard shall be had to the access by such Connected Person or class of Connected Persons to Unpublished Price Sensitive Information.

6. PRESERVATION OF PRICE SENSITIVE INFORMATION

1. The Insiders must:
- (a) maintain confidentiality of all Unpublished Price Sensitive Information;
 - (b) not communicate any Unpublished Price Sensitive Information except in accordance with this Code;
 - (c) not pass on such information to any person directly or indirectly by way of making a recommendation for the Trading of Securities of the Company based on the same.
 - (d) Price Sensitive Information must be handled on a 'need to know' basis. Such information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information. No Price Sensitive Information shall be communicated to any person except in furtherance of the Insider's legitimate purposes, performance of duties or discharge of such Insider's legal obligations.
 - (e) All Unpublished information directly or indirectly received by any Director/ Designated Person should be reported to the Compliance Officer immediately.
 - (f) All files containing confidential information will be kept secure and under lock and key. Computer files will have adequate security of login and passwords. Each Insider shall at all times be in compliance with the "Information Security Management System, Acceptable Usage Practices" code as issued by the Company and revised from time to time.

7. PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. Every Designated Person must disclose to the Compliance Officer in the format prescribed at Appendix VB, the details regarding number of shares or voting rights held by such a person within seven (7) days of becoming a Director, a Promoter, a key managerial personnel, or a Designated Person of the Company.
2. All Designated Persons will be subject to Trading restrictions as mentioned below:
- a. Designated Persons are permitted to execute Trades subject to the conditions specified herein. The Compliance Officer will, in consultation with the Chairman/ Managing Director & CEO, specify from time to time a period, to be called 'Quiet Period' during which the Trading Window shall be closed for Trading in the Securities of the Company. The Trading Window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information. During such Quiet Period and when the price sensitive information is unpublished, the Trading in Securities by Insiders will be prohibited.

- b. The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight (48) hours after the information becomes generally available.
- c. The Quiet Period shall also be applicable to any person as may be determined by the Compliance Officer, who in his opinion have any contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, consultants etc., assisting or advising the company.
- d. The communication related to closure and opening of the Trading Window shall be sent to all the Insiders by means of electronic means and where such electronic means is not available, the same will be sent by means of hand delivery/ by post. Irrespective of whether such communication has been received or not, persons governed by this Code shall mandatorily verify with the Compliance Officer on the status of the Trading Window before undertaking any Trades in the Securities of the Company.

Ignorance of the closure of the Trading Window or non-receipt of communication of closure of Trading Window shall not justify any Trades undertaken by the Insiders during such closure of Trading Window.
- e. Every Designated Person should advise his/ her Relatives/ Immediate Relatives, as the case may be, of the Quiet periods during which Trading in the Securities of the Company is prohibited.
- f. All Designated Persons will conduct all their Trading in Securities of the Company only in a valid period and will not Trade in Securities of the Company during the Quiet Period or during any other period as may be specified by the Compliance Officer from time to time provided the Designated Person is not in possession of Unpublished Price Sensitive Information while executing the Trade.
- g. When the Trading Window is open, Trading above the Threshold Limit by Designated Persons shall be subject to pre clearance by the Compliance Officer, in the manner provided below.
- h. For the avoidance of doubt, it is clarified that during the Quiet Period, no Insider is permitted to apply for pre-clearance of any proposed Trade.

8. PRE- CLEARANCE OF TRADES

All Designated Persons (other than Directors, their Relatives and Promoters) who intend to Trade in the Securities of the Company, above the Threshold limit and in case of Directors, their Relatives and Promoters who intend to Trade in Securities of the Company, will pre- clear the transactions as per the pre- clearance procedure given below:

- i. Every Designated Person must make an application in the format prescribed at Appendix I to the Compliance Officer, indicating the estimated number of Securities that such person intends to Trade in, mode of acquisition, and such other information as may be prescribed by the Regulations, as may be amended and modified from time to time. For the Compliance Officer, pre - clearance shall be taken from the Managing Director of the Company;
- ii. Every Designated Person must sign an undertaking in the format prescribed at Appendix II. For the avoidance of doubt, each Designated Person shall also be required to make any other declarations and undertakings as the Compliance Officer may require on a case to case basis.

- iii. Prior to approving any Trades, the Compliance Officer shall be entitled to seek any further declarations as he may deem fit from the applicant. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate. And in exceptional circumstances, he may not grant consent to any Trades if he is of the opinion that the proposed Trade is on basis of possession of Unpublished Price Sensitive Information.
- iv. If so requested by the Compliance Officer, Designated Person must ensure that his / their stockbrokers are authorised to disclose information to the Compliance Officer in relation to the Trading in the Securities of the Company.
- v. The Compliance Officer will intimate the Designated Person, of the approval/ rejection of the proposed transaction in the format prescribed at Appendix III within 2 Working Days of the receipt of the application. In the absence of the Compliance Officer, the approval will be provided by 'Vice President – Finance' on behalf of the Compliance Officer.

9. OTHER RESTRICTIONS

1. All Designated Persons shall execute their order in respect of the Securities of the Company within seven (7) Trading Days from the date such transaction has been pre-cleared. The details of the transaction including the total number of shares or voting rights bought or sold or traded in any manner by the Designated Person, the date on which the order was executed and other details, will be intimated forthwith, not exceeding two (2) Working Days from date of the transaction, to the Compliance Officer in the format as may be prescribed by the Regulations and formats prescribed by the Company at Appendix IVA, from time to time.
2. If the Trade is not executed within seven (7) Trading Days from the date of the pre- clearance approval, the Designated Person shall intimate the Compliance Officer in the format prescribed at Appendix IV B, and must pre-clear the transaction again.
3. Designated Persons who buy or sell any number of shares of the Company will not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction.
4. The Compliance Officer may waive the holding period in cases where the sale is necessitated by personal emergency after recording reasons in writing in this regard. An application in this regard will need to be made to the Compliance Officer.
5. Every Promoter & Promoter Group, employee and Director of the Company shall disclose to the Company, the number of Securities acquired or disposed of if the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000 (ten lakh) or such other limit as may be prescribed under the Regulations, within 2 (two) Trading Days of such transaction. The Compliance Officer shall notify the particulars of such trading to the Stock Exchanges within two trading days of receipt of such disclosures or from becoming aware of such information.

It is hereby clarified that the disclosure of the incremental transactions after any disclosure under this clause, shall be made when the transactions effected after the prior disclosure cross the limits specified above.

6. All the Designated Persons and such Connected Persons as may be notified by the Compliance Officer must make an annual disclosure of the number of Securities held as on 31st March each year by them, their Relatives and their Immediate Relatives, as the case may be, including details of purchase / sale of Securities during the financial year to the Compliance Officer. This disclosure must be made in the format prescribed at Appendix VII within 30 (thirty) days from the close of each financial year, in electronic or physical form.

7. The disclosure of Trading in Securities shall also include Trading in derivatives of Securities provided Trading in derivatives of Securities is permitted by any law for the time being in force. Directors, their Relatives and Promoters will not take a position in derivative transactions in the shares of the Company at any time.

10. TRADING PLANS

1. Each Designated Person is entitled to execute Trades in pursuant of a pre-determined trading plan, where such trading plan has been executed by such Insider, approved by the Compliance Officer, and has been publically disclosed by the Company to the Stock Exchanges, 6 (six) months prior to the commencement of the Trading pursuant to the trading plan ("**Trading Plan**").
2. A Trading Plan shall be formulated by Insiders in compliance with the Regulations, including any statutory modification(s) or re-enactment(s) for the time being in force.
3. Commencement of the Trading Plan shall be deferred by the Compliance Officer in writing, in a situation where the Designated Person is in possession of Unpublished Price Sensitive Information at the time of making the Trading Plan and such information is not generally available at the time of commencement of the Trading Plan.
4. The Compliance Officer shall approve the Trading Plan within a period of 7 (seven) days and shall take necessary undertaking from the Designated Person presenting such Trading Plan, as necessary on a case by case basis.
5. Once approved, the Trading Plan shall be irrevocable and the Designated Person shall mandatorily implement the Trades within the Trading Plan without any deviation.

11. CONNECTED PERSONS

The Designated Employees of the Company shall ensure that all Connected Persons, including those who provide any services or goods to the Company whether or not pursuant to a written contract and who have access to Unpublished Price Sensitive Information or are reasonably expected to have such access, execute an undertaking substantially in the form prescribed at Appendix IX.

12. REPORTING REQUIREMENTS FOR TRADING IN SECURITIES

Every Insider will adhere to the following reporting requirements in the formats as may be prescribed:

Event	Time Frame	Format of Disclosure
<u>Application for pre- clearance of Trades</u>	Prior approval	Appendix I and II
<u>Letter of Approval:</u> Approval letter from the Compliance Officer for the pre-clearance of Trades	Within 2 Working Days of receipt of application for pre-clearance	Appendix IIIA
<u>Letter of Rejection:</u> Rejection letter from the Compliance Officer for the pre-clearance of Trades	Within 2 Working Days of receipt of application for preclearance	Appendix IIIB
<u>Completion of transaction:</u> (i) On completion of the Trading of the Securities of the Company after having pre-cleared the transaction by the Compliance Officer;	Within 2 Working Days of completion of the pre-cleared Trade, in case of (i); and	Appendix IVA

(ii) Reporting of decision to not Trade after securing pre clearance with reasons.	within 2 Working Days on completion of 7 th Trading Day from granting of preclearance, in the case of (ii)	Appendix IVB
<p>Initial Undertaking by Designated Persons (other than Directors, key managerial personnel, their Relatives/ Immediate Relatives and Promoters):</p> <p>(i) On being designated a “Designated Person” for new employees; and</p> <p>(ii) this Code being effective for existing Designated Persons</p> <p>In each case, such disclosure or undertaking shall be in respect of Securities held by the Designated Person (other than Directors, key managerial personnel, their Relatives/ Immediate Relatives and Promoters)</p>	<p>(i) Within 7 days of becoming a Designated Person; and</p> <p>(ii) within a reasonable time period after the Code is effective</p>	<p>Appendix VC and VIII</p> <p>Appendix VIII</p>
<p>Statement of Initial Disclosure by Promoter, key managerial personnel and Director (of Securities held by them, their Relatives/ Immediate Relatives, as the case may be):</p> <p>(i) on effective date of the Regulations; and</p> <p>(ii) on joining as/ or becoming a Director, key managerial personnel and Promoter</p>	<p>By June 14, 2015</p> <p>Within 7 days</p>	<p>Appendix V A</p> <p>Appendix V B</p>
<p><u>Disclosure to the Company/ Stock Exchange:</u> Any Director, Promoter and employee will disclose to the Company in Form C (format attached), the total number of Securities acquired or disposed of, if the value of the Securities Traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a Traded value in excess of Rs. 10,00,000 (Rupees ten lakh) or such other value as may be specified under the Regulations. Such disclosure shall be of Securities held by them, their Relatives/ Immediate Relatives, as the case may be.</p>	Within 2 Trading Days	Appendix VI
<p><u>Statement of Annual Disclosure:</u> At the end of the financial year by Directors, Promoters and Designated Persons.</p>	Within 30 days of the end of the financial year.	Appendix VII

The Compliance Officer will maintain records in either physical or electronic form, of the declarations in the appropriate forms given by the Directors/Designated Persons for a minimum period of five years.

The Compliance Officer may at his discretion require any other Connected Person or class of Connected Persons to make disclosures of holdings and Trading in Securities of the company in the format prescribed at Appendix X, and at such frequency as he may deem fit in order to monitor compliance with this Code and the Regulations.



13. PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

Any Insider who (i) Trades in Securities of the Company, or (ii) communicates any information for Trading in Securities of the Company, or (iii) procures Unpublished Price Sensitive Information in contravention of this Code, shall be penalised and the Company will take appropriate action. The Managing Director and the Compliance Officer shall report such violations to the Board. The quantum of penalty shall be decided by the Board, on a case-by-case basis.

A Designated Person of the Company who violates this Code, in addition to the above, will also be subject to disciplinary action by the Company, which may include wage freeze, suspension, etc., as may be decided by the Managing Director. In the event an opposite transaction has been executed by an Insider, inadvertently or otherwise, such Insider undertakes to disgorge the profits from such Trade to the Company for onward remittance to SEBI for credit to the Investor Protection and Education Fund, as administered by SEBI.

In case if the Compliance Officer is of the opinion that there has been violation of the Regulations by an Insider, SEBI shall be informed promptly.



ASIAN PAINTS LIMITED – CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

LIST OF APPENDICES	
Appendix No.	Particulars
I	Application form for Pre- clearance of Trades in Company's Securities
II	Undertaking to be accompanied with every Pre- clearance Application
IIIA	Draft Letter of Approval from Compliance Officer
IIIB	Draft Letter of Rejection from Compliance Officer
IVA	Confirmation of date of completion of transaction
IVB	Reporting of failure of completion of transaction
VA	Statement of Initial disclosure of shares held in the Company by a Director / Key Managerial Personnel/ Promoter by June 14, 2015
VB	Statement of initial disclosure of shares held in the Company by a Director / Key Managerial Personnel/ Promoter/ Designated Persons
VC	Statement of initial disclosure of shares held in the Company by a person on becoming Designated Person
VI	Disclosure to the Company / Stock Exchange
VII	Annual Disclosure of shares held by Designated Persons
VIII	Initial Undertaking by Designated Persons (other than Directors and Promoters)
IX	Undertaking by other Connected Persons
X	Disclosure by other Connected Persons (indicative format)



APPENDIX I

APPLICATION FORM FOR PRE- CLEARANCE OF TRADES IN COMPANY'S SECURITIES

**The Compliance Officer
Asian Paints Limited,
6A, Shantinagar,
Santacruz (East),
Mumbai: 400 055**

Dear Sir,

I intend to trade in the securities of the Company as per the particulars furnished below:

Name(s) of the persons for whom the transaction is to be executed	
PAN No.	
Relationship with the applicant	
No. of shares covered by the transaction	
Nature of transaction for which approval is Sought	Purchase / Sale / Demat / Pledge/ Other
Depository ID No.	
Client ID No.	
Particulars of the broker through whom the transaction is to be executed	Name : Address : Phone No. :

* - *strike out whichever is not applicable*

I enclose duly executed undertaking executed in favour of the Company, containing the prescribed particulars. I request you to kindly pre-clear the above transaction at the earliest.

Thanking you,

Yours faithfully,

Name of the Applicant
Employee Code No. :
Contact Number:
Department :
Date :
Place :



APPENDIX II

(Draft undertaking to be accompanied with every pre-clearance application)

**The Compliance Officer,
Asian Paints Limited,
6A, Shantinagar,
Santacruz (East),
Mumbai: 400 055**

Dear Sir,

I, _____ being a Director/Designated Employee of the Company, am desirous of trading in _____ shares of the Company held in my name/ in the name of my Immediate Relative / in the name of my Relatives or Companies controlled by me as mentioned in my application dated _____ for pre-clearance of the transaction. I hereby confirm/undertake:

Or

I hereby confirm/undertake (in case of an application on behalf of Immediate Relatives/ Relatives/ Companies controlled by me or relatives on behalf of them):

- a. to maintain confidentiality of all 'Unpublished Price Sensitive Information' that may come into my possession in the discharge of my duties with the Company;
- b. not to pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company based on the same;
- c. to report to the Compliance Officer, any non-public information that may be directly received by me;
- d. that I am not in possession and/or I do not have any access to 'Unpublished Price Sensitive Information' upto the date of signing this undertaking;
- e. that in case I have access to or receive '**Unpublished Price Sensitive Information**' after the signing of this undertaking but before the execution of the transaction, I will inform the Compliance Officer of the change in my position and that I will completely refrain from trading in the securities of the Company till such time such information becomes public ;
- f. that I have not contravened the 'Asian Paints Limited- Code of Conduct to Regulate, Monitor and Report Trading by Insiders' as notified by the Company from time to time; and
- g. That I have made full and true disclosure in the matter.

(Signature)

Name of the Applicant:
Employee Code No.:
Contact Number:
Department:
Date:
Place:



APPENDIX - III

(draft letter of approval from Compliance Officer)

Date:

To:

Sub : **Pre-clearance of transaction in Company's Securities**

Ref : **Your application dated _____ for pre-clearance of transaction for _____ shares of the Company in your name / in the name of _____.**

With reference to your above application, seeking pre-clearance of your transaction in shares of the Company, we hereby accord our approval to the proposed transaction.

You may kindly note that the aforesaid transaction will be executed **within seven (7) trading days** from the date of receipt of this approval letter, failing which, an application seeking pre-clearance to the proposed transaction together with undertaking in the prescribed format, will be made afresh.

Further the details of the Trade, as per the aforesaid application, needs to be intimated within two working days of the execution of the Trade.

You may kindly note that after the aforesaid transaction, you will not enter into an opposite transaction during the next six months from the date of the aforesaid transaction.

It is presumed that the proposed transaction is in compliance with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011; Code of Conduct and SEBI (Prohibition of Insider Trading) Regulations, 2015.

Thanking you,

Yours truly,

For **Asian Paints Limited**

Compliance Officer



APPENDIX - III

(draft letter of rejection from Compliance Officer)

Date:

To:

Sub : **Pre-clearance of transaction in Company's Securities**

Ref : **Your application dated _____ for pre-clearance of transaction for _____ shares of the Company in your name / in the name of _____.**

With reference to your above application, seeking pre-clearance of your transaction in shares of the Company, we hereby reject your above application on account of the following reasons:

Thanking you,

Yours truly,
For **Asian Paints Limited**

Compliance Officer



APPENDIX IV A

(confirmation of date of completion of transaction)

**The Compliance Officer,
Asian Paints Limited,
6A, Shantinagar,
Santacruz (East),
Mumbai: 400 055**

Dear Sir,

Sub: **Confirmation of date of completion of transaction**

I hereby confirm that the transaction for Trading in the shares of the Company for which, pre-clearance was granted on _____, was completed on _____ by purchasing* / selling* / _____ (any other) _____ (nos.) equity shares of the Company.

Thanking you,

Yours faithfully,

(Signature)

Name of the Applicant:

Employee Code No.:

Contact Number:

Department:

Date:

Place:

- - strike out whichever is not applicable



APPENDIX IV B

(Reporting of failure of completion of transaction)

**The Compliance Officer,
Asian Paints Limited,
6A, Shantinagar,
Santacruz (East),
Mumbai: 400 055**

Dear Sir,

Sub: **Reporting of failure to execute transaction**

I hereby declare that the transaction for trading in the shares of the Company for which, pre-clearance was granted on _____, was not completed within 7 (seven) days of receipt of the pre-clearance, due to _____. I shall obtain fresh pre-clearance in the event I wish to execute the said trade again.

Thanking you,

Yours faithfully,

(Signature)

Name of the Applicant:

Employee Code No.:

Contact No:

Department:

Date:

Place:



APPENDIX V A

FORM A

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]

Name of the company: ASIAN PAINTS LIMITED

ISIN of the company: _____

Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters / KMP / Directors / Immediate relatives to / others etc)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
6	7	8	9	10	11

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:



APPENDIX V B

FORM B

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6(2) - Disclosure on becoming a director/KMP/Promoter]

Name of the company: ASIAN PAINTS LIMITED

ISIN of the company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters/KMP/ Directors/ Immediate relatives/others etc)	Date of appointment of Director / KMP OR Date of becoming Promoter	Securities held as on the date of regulation coming into force		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the Company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2)

Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/ KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/ KMP		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:



APPENDIX V C

**The Compliance Officer,
Asian Paints Limited,
6A, Shantinagar,
Santacruz (East),
Mumbai: 400 055**

Dear Sir,

Sub: **Disclosure on becoming Designated Persons other than Promoters, Key Managerial Personnel (KMP) and Directors**

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Designated Person/ Immediate relative to / others etc.)	Securities held as on the date of becoming Designated Person		% of Shareholding
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Details of Open Interest (OI) in derivatives of the company held by Designated Persons / Immediate Relatives other than Promoter, KMP and Directors:

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
6	7	8	9	10	11

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Thanking you,

Yours faithfully,

(Signature)
Name of the Applicant:
Employee Code No. :
Contact Number:
Department:
Date:
Place:



APPENDIX VI

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6(2) – Continual Disclosure]

Name of the company: ASIAN PAINTS LIMITED

ISIN of the company: _____

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/ DIN, & addresses with contact nos.	Category of Person (Promoters/ KMP / Director s/immediate relative to/others etc.)	Securities held prior to acquisition /disposal		Securities acquired / Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market / public / rights / preferential offer / off market / Inter-se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.



Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:



APPENDIX VII

ANNUAL DISCLOSURE OF SHARES HELD IN THE COMPANY BY DESIGNATED PERSONS

Details of shares or voting rights held by Designated Persons and their respective Relatives/ Immediate Relatives, as the case may be, including positions taken in derivatives

Name of Designated Person:

Particulars of Designated Person	No. of shares held at the beginning of the year	No. of shares bought/ sold during the year			No. of shares held at the end of the year	Mode of acquisition	Date of Intimation to the Company
		Date	Nos.	Value			
Name, PAN, DP Id/ Client Id							
Self							
Spouse							
Other Relatives/ Immediate Relatives							

Note: The above table will be applicable with suitable modifications to disclosures for position taken in derivatives also. Trading in derivatives shall be permissible (for Designated Persons other than Directors, their relatives and Promoters) if permitted by any law for the time being in force.

* I/We declare that I/we have complied with the requirement of not entering into an opposite transaction within six months of the prior transaction (applicable in case of Designated Persons).

* I further declare that the above disclosure is true and correct and is in accordance with the previous disclosures given to the Company.

(Signature)

Name of Designated Person/ other Connected Person:

Employee Code No.:

Contact number:

Department:

Location:

Date:

(In case of Companies – to be signed by the Director of the Company)



APPENDIX VIII

Initial Undertaking

Name of the Designated Person:

Date

The Compliance Officer,
Asian Paints Limited,
6A, Shantinagar,
Santacruz (East),
Mumbai: 400 055

Dear Sir,

Re: Undertaking under the Asian Paints Limited- Code of Conduct to Regulate, Monitor and Report Trading by Insiders

1. I have read and understood the Asian Paints Limited- Code of Conduct to Regulate, Monitor and Report Trading by Insiders ("**Code**") and undertake to fully comply with the provisions thereof during my association with Asian Paints Limited ("**Company**").
2. I also acknowledge that the provisions of the Code form an integral part of the terms of my service/employment/engagement with the Company and any breach of the Code would result in a breach of the terms of such service/employment/engagement and I understand and agree to be subject to all the consequences of such a breach.
3. I acknowledge that in the course of my employment with the Company, I shall come across Unpublished Price Sensitive Information, which would be given to me in confidence, and I undertake that I shall not disclose any Price Sensitive Information received by me to any of my Dependents or Relatives.
4. I further undertake that if I gain access to, or receive, any Price Sensitive Information I shall completely refrain from Trading in the securities of the Company till the time such information becomes generally available, in all cases in accordance with this Code.
5. In the event of any breach of the provisions of the Code by any of my Dependents, I hereby unconditionally undertake to be fully responsible for the consequences of any such breach as if such breach was mine and fully indemnify and keep the Company and its Directors from and against all or any penalties/fines/charges/costs that may be imposed or incurred by SEBI or any other statutory authorities under any Act, law or regulation.
6. All disclosures and undertakings made by me are complete and accurate in all respects and I have not withheld information that would make any of my undertakings or disclosures herein, inaccurate.
7. All capitalized terms used herein but not defined shall have the same meaning ascribed to it in the Code.

Yours Sincerely,

Name of Designated Person:

Employee Code No.:

Contact number:

Department:

Location:

Date:



APPENDIX IX

Date: _____

To,

The Compliance Officer,
Asian Paints Limited,
6A, Shantinagar,
Santacruz (East),
Mumbai: 400 055

Dear Sir,

Re : Terms of Service

1. We, [*insert name of Connected Person*] are [providing/receiving] [*nature of services/goods to be inserted*] to Asian Paints Limited ("**Company**") pursuant to a contract/arrangement entered into between us and the Company ("**Services**").
2. We hereby acknowledge that we are aware (and that our representatives, employees, affiliates, and advisors are aware or, will be advised by us) that in the course of providing Services to the Company, we, our representatives, employees, affiliates, and advisors shall be in possession of information and/or documents in any form or manner, which may contain material, non-public information regarding the Company or any affiliate of the Company. We further acknowledge that we are aware and that our representatives, employees, affiliates, and advisors have been advised that applicable securities laws prohibit any person having unpublished price sensitive information about a company from trading with the securities of that company or communicating such unpublished price sensitive information, and we agree to abide by and cause our representatives, employees, affiliates, and advisors, to abide by the terms of such securities laws, including without limitation, the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations**"), as may be replaced, amended or supplemented from time to time and other applicable laws in relation to insider trading and the acquisition of securities. We have also been provided with a copy of the Asian Paints Limited- Code of Conduct for the Prevention of Insider Trading Regulations, as issued by the Company and agree to abide by the same.
3. In the event of any breach of the provisions of (i) this undertaking, or (ii) any applicable securities laws, including the PIT Regulations, by us or any of our representatives, affiliates, employees, directors, officers, advisors, we hereby unconditionally undertake to be fully responsible for the consequences of any such breach and fully indemnify and keep the Company and its directors, officers, employees, agents, representatives, and affiliates from and against all or any damages on account of such breach, or any penalties/fines/charges/costs/actions that may be imposed or undertaken by the Securities and Exchange Board of India or any other authorities under any Act, law or regulation.
4. We shall promptly notify the Company in the event of any breach of the provisions of (i) this undertaking, or (ii) any applicable securities laws, including the PIT Regulations, by us or our employees, officers, directors, affiliates, representatives, and advisors.
5. We also acknowledge that this undertaking forms an integral part of the terms of our engagement with the Company and any breach of this undertaking would result in a breach of the terms of such engagement and we understand and agree to be subject to all the consequences of such a breach.

Yours Sincerely,
[*Name of Connected Person*]
Contact Number



APPENDIX X

Form D (Indicative format)

SEBI (Prohibition of Insider Trading) Regulations, 2015

Regulation 7(3) – Transactions by other connected persons as identified by the company

Name, PAN, CIN/DIN, & address with contact nos. of other connected persons as identified by the company	Connection with company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition/ disposal (on market/public rights/ Preferential offer / off market/Inter se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures)	No	Value	Transaction Type (Buy / Sale / Pledge / Revoked / Invoice)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.



Details of trading in derivatives by other connected persons as identified by the company

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of Contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name:

Signature:

Place:



ASIAN PAINTS LIMITED

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

Approved on: 22nd October, 2014
Revision 1: 22nd January, 2018
Revision 2: 24th July, 2018



1. INTRODUCTION

Asian Paints Limited (the Company) is committed to good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of Professionalism, Fast Track Growth, Building Shareholder Equity with principles of Fair Play, Ethics and Corporate Governance in spirit.

2. APPLICABILITY OF THIS CODE

In view of Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re – enactment(s) thereof for the time being in force) it is imperative now to formally lay down a Code of Conduct for all Directors and Senior Management Personnel (SMP) (This would comprise all members of management up to M2 grade) of the Company.

Ethical business conduct is critical to our business. Members of the Board and SMP are therefore expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with: all applicable laws; rules and regulations; and all applicable policies and procedures adopted by the Company that govern the conduct of its employees and to ensure that the various stakeholders of the Company are aware, understand and comply with these standards.

Nothing in this Code or in any related communications (verbal or written) thereto shall constitute or be construed to constitute a contract of employment for a definite term or a guarantee of confirmed employment.

You are requested to sign the acknowledgement form at the end of this Code and to return the form to the Head of the Human Resources function of the Company, indicating that you have received, read, understand and agree to comply with this Code. The signed acknowledgement form will be located in your personnel file. As per Regulation 26 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), every director and senior management personnel shall affirm compliance with the code on an annual basis.

3. HONEST AND ETHICAL CONDUCT

The Company expects all Board Members and SMP to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, whenever the Company's business is being conducted or at any place where such Board Members and SMP are representing the Company.



The Company considers honest conduct to be conduct that is free from fraud or deception. The Company considers ethical conduct to be conduct conforming to the accepted professional standards of conduct. Ethical conduct includes ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

4. RELATIONSHIP WITH THE COMPANY

Conflicts of Interest

The Board Members and SMP of the Company shall not generally engage in any business, relationship or activity which might detrimentally conflict with the interest of the Company or any of its subsidiary.

The main areas of actual or potential conflicts of interest would include the following:

- Y Financial interest of a Board Member and SMP or his relatives, including the holding of an investment in the subscribed share capital of any company or a share in any firm which is an actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of the Company. *(The ownership of up to 1 per cent of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose.)*
- Y A Board Member and SMP of the Company conducting business on behalf of his or her company, or being in a position to influence a decision with regard to his or her company's business with a supplier or customer of which his or her relative is a principal, officer or representative, resulting in a benefit to him/her or his/her relative. However, the Board is to decide whether there is a conflict.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested Board Members and SMP should be made to the Board of Directors of the Company. It is also incumbent upon every Board Member and SMP to make a full disclosure of any interest which the Board Members and SMP or his/her immediate family relatives, (which would include parents, spouse and dependent children) may have in a company or firm which is a supplier, customer, distributor or has other business dealings with the Company. A list shall be circulated on a half-yearly basis.

Every such disclosure as mentioned above shall be done in writing and shall be placed before the Board and, upon a decision being taken in the matter, the Board Members and SMP concerned will be required to take necessary action as advised to resolve/avoid the conflict, if any.

A Board Member and SMP's duty to the Company demands that he or she generally avoids and discloses actual and apparent conflicts of interest.



It is a conflict of interest to serve as a director of any Company that competes with the Company. The Company's policy requires that a Board Member and SMP obtain prior approval from the Board of Directors and the Company's Audit Committee before accepting such a directorship.

Receiving and making Gifts:

A Board Member and SMP (including his/her immediate family member) shall not accept a gift of any nature from any supplier, vendor, dealer, contractor, customer, competitor or any business associate.

This prohibition does not apply to routine two way exchange of normal business courtesies, which might reasonably be expected to be exchanged in the ordinary course of business

These courtesies include business lunch/dinner and exchange of company diaries and calendars, pens with company logo and the like that are not lavish in any way.

If a gift is inadvertently received it should be promptly returned with a polite note explaining that it is contrary to the Company policy. (A circular on policy regarding gifts has already been issued to all employees by HR). A Board Member and SMP shall conform to the gift policy of the Company.

Corporate Opportunities:

The Board Members and SMPs may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board declines to pursue such opportunity.

Other Situations:

It would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts they must be resolved after consultation with the Company's Board of Directors and Audit Committee.

5. DUTIES OF INDEPENDENT DIRECTORS AS PER COMPANIES ACT, 2013

The Independent Directors shall abide with the duties of directors and duties of Independent Directors as laid down by the Companies Act, 2013, the Schedules and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force). The duties of directors as per Section 166 and the duties of Independent Directors in accordance with Schedule IV of the Companies Act, 2013 are appended and marked as **Annexure I.**



6. HEALTH, SAFETY AND ENVIRONMENT

The Company shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. The Company shall be committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

Company policy prohibits sexual harassment, harassment based on race, religion, national origin, ethnic origin, color, gender, age, citizenship, veteran status marital status or a disability unrelated to the requirements of the position or any other basis protected by the central, state or local law or ordinance or regulation. If you believe that you have been harassed, submit a complaint to your own or any other company manager. In addition, if you believe you have been sexually harassed, you may submit a complaint to the Head of the Human Resources function.

7. ACCOUNTING AND PAYMENT PRACTICES

All transactions be fully and accurately recorded in the Company's books and records in compliance with all applicable laws. All required information shall be accessible to the company's auditors and other authorized persons and government agencies. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Company policy and the law. There shall be no willful omissions of any company transactions from the books and records. Any willful material misrepresentation of and/or misinformation of the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate civil or criminal action under the relevant laws. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion.

8. MAINTAINING AND MANAGING RECORDS

The purpose of this section is to set forth and convey the Company's business and legal requirements in managing records, including all recorded information regardless of medium or characteristics. These records include paper documents, CDs, computer hard disks, email, floppy disks, microfiche, microfilm or all other media. The Company is required by local, state, foreign and other applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records.



COMPANY RECORDS:

The results of operations and the financial position of the Company must be recorded in accordance with the requirements of law and generally accepted accounting principles. It is Company policy, as well as a requirement of law, to maintain books, records and accounts that in reasonable detail accurately and fairly reflect the business transactions and disposition of assets of the Company.

The integrity of the Company's accounting and financial records is based on the accuracy and completeness of the basic information supporting entries to the Company's books of accounts. The Board Members and SMP involved in creating, processing and recording such information are held responsible for its integrity. Every accounting or financial entry should reflect exactly what is described by the supporting information.

There must be no concealment of information from (or by) management, or from the Company's internal or independent auditors. No payment on behalf of the Company shall be approved or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment.

No false or misleading entries may be made in any books or records of the Company for any reason, and no fund, asset or account of the Company may be established, acquired or maintained for any purpose unless such fund, asset or account is properly reflected in the books and records of the Company. No corporate funds or assets should be used for any unlawful or improper purpose.

Revenue and expenses should be properly recognized on a timely basis. Assets and liabilities should be properly recorded and appropriately valued.

9. PROTECTING COMPANY'S ASSETS AND CONFIDENTIAL INFORMATION

Protecting company assets:

The assets of the company should not be misused but employed for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as patents, trademarks, proprietary information, relationships with customers and suppliers, etc.

Confidential Information:

The Company's confidential information is a valuable asset. The Company's confidential information including product architectures; source codes; product plans and road maps;



names and lists of customers, dealers, and employees; and financial information. This information is the property of the Company and may be protected by patent, trademark, copyright and trade secret laws. All confidential information must be used for Company's business purposes only. Every Board Member and SMP must safeguard it.

This responsibility includes not disclosing the Company confidential information such as information regarding the Company's services or business over the Internet. The Board Members and SMPs are also responsible for properly labelling any and all documentation shared with or correspondence sent to outside counsel as "Attorney- Client Privileged". This obligation extends to confidential information of third parties, which the Company has rightfully received under Non-Disclosure Agreements.

Obligations of the Board Members and SMPs with respect to Company Confidential Information are:

- Not to disclose this information to persons outside of the Company without prior approval of the Chairman/Board. Not to use this information for the Board Member and SMP's own benefit or the benefit of persons outside of Company.
- Not to disclose this information to other Company employees except on a "need to know" or "need to use" basis and then only with a strong statement that the information is confidential.
- Company confidential information is not always of a technical nature. Such information can also include business research, new product plans, strategic objectives, any unpublished financial or pricing information, employee, customer and vendor lists and information regarding customer requirements, preferences, business habits and plans. This list, while not complete, suggests the wide variety of information that needs to be safeguarded.
- If any Board Member and SMP leaves Company, his or her obligation to protect Company confidential information continues until the information becomes publicly available.
- A Board Member and SMP should not disclose the Company's confidential information to anyone or use it to benefit anyone other than the Company without the prior written consent of the Board of Directors.
- A Board Member and SMP shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the Company on which such insider information has been obtained.



Such insider information might include the following:

- acquisition and divestiture of businesses or business units;
- financial information such as profits, earnings and dividends;
- announcement of new product introductions or developments;
- asset revaluations;
- investment decisions/plans;
- restructuring plans;
- major supply and delivery agreements;
- raising finances.

10. AGREEMENT INVOLVING COMPENSATION OR PROFIT SHARING IN CONNECTION WITH DEALINGS IN SECURITIES OF THE COMPANY

No Director(s)/employee(s) of the Company shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors of the Company as well as public shareholders by way of an ordinary resolution.

Director(s)/Employee(s) shall forthrightly disclose any subsisting or expired agreement entered into by himself or on behalf of any other person to the Company Secretary/Compliance Officer.

11. DISCLOSURE TO THE STOCK EXCHANGES AND PUBLIC

It is the Company's policy to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are to be filed with or submitted to, the stock exchanges where the Company's shares are listed, statutory authorities and in our other public communications. Accordingly, Board Member and SMP must ensure the compliance with such disclosure controls and procedures. All Board Members and SMP must also respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose.

12. RESPONDING TO INQUIRIES FROM THE PRESS AND OTHERS

The requests for financial or business information about Company from the media, press, financial community, the Securities and Exchange Board of India or other regulators or the public must be referred to the CFO & Company Secretary.



13. COMPLIANCE WITH GOVERNMENT LAWS, RULES AND REGULATIONS

The Board Members and SMP must comply with all applicable governmental laws, rules and regulations. The Board Members and SMP must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the finance department. If the ethical and professional standards set out in the applicable laws and regulations are below that of the code, then the standards of the code shall prevail.

14. SHAREHOLDERS

The Company shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The board of directors of the Company shall duly and fairly inform its shareholders about all relevant aspects of the company's business, and disclose such information in accordance with the respective regulations.

15. VIOLATIONS OF THE CODE

It is a part of the Board Members and SMP job, and his/her ethical responsibility to help enforce this Code. The Board Members and SMP should be alert to possible violations and report this to the Company Secretary or the Head of the Human Resources function. The Board Members and SMP should cooperate in any internal or external investigations of possible violations.

Actual violations of law, this code, or other Company policies or procedures, should be promptly reported to the Company Secretary or the Head of the Human Resources function of the Company. The Company will take appropriate action against those whose actions are found to violate the Code or any other policy of the Company.

16. WAIVERS AND AMENDMENTS TO THE CODE

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company's board of directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.



ACKNOWLEDGMENT

I have received and read the Company's Code of Conduct and Ethics for Board of Directors and Senior Management Personnel (SMP).

I understand and agree to comply with the standards and policies contained in the above mentioned Code of Conduct and understand that there may be additional policies or laws specific to my job.

Name of the Director / SMP	
Employee Code	
Designation	
Location	
Reporting to	
Signature	
Date	

Please sign and return this form to the Head of the Human Resources function of the Company



**ANNEXURE I – DUTIES OF DIRECTORS UNDER SECTION 166 OF THE COMPANIES ACT, 2013 AND
CODE FOR INDEPENDENT DIRECTORS – SCHEDULE IV OF THE COMPANIES ACT, 2013**

Duties of directors:

166. (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.

(2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.

(3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

(4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

(5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

(6) A director of a company shall not assign his office and any assignment so made shall be void.

**SCHEDULE IV
[See section 149(8)]
CODE FOR INDEPENDENT DIRECTORS**

Duties:

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;



- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.