

KANSAI NEROLAC PAINTS LIMITED

AND ITS SUBSIDIARY / ASSOCIATE COMPANIES

CODE OF CONDUCT

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| HR Policy No.: HR/000/01112007/002 | Key Area: Corporate |
| Effective: 1 st April, 2022 | Sub Key Area: Conduct |
| Supersedes Policy No.: HR/000/01112007/001 | Next Review: Need Based |

Kansai Nerolac Paints Ltd. & its Subsidiary/Associate Companies

KANSAI NEROLAC PAINTS LIMITED

Registered Office : 28th Floor, A-wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai - 400 013, India T: +91 22 4060 2500/2501 | www.nerolac.com
CIN: L24202MH1920PLC000825

PREAMBLE

This code of conduct has been designed with the objective of guiding and regulating the conduct and behaviour of KANSAI NEROLAC PAINTS LTD., and its Subsidiary / Associate Companies in the course of their employment. This would help in establishing appropriate behavioural norms for the employees primarily focusing on discipline, self-control, professionalism and best ethical practices.

This policy affirms our commitment to a zero-tolerance stance on corruption. It encompasses all forms of corruption as detailed within the policy, such as Bribery, Gifts and hospitality, unauthorized meetings, using personal influence and money laundering and elements of misconduct at workplace across all aspects of our business operations. This thereby ensures that we uphold the highest ethical standards in our practices.

APPLICABILITY

The Policy is applicable for all the employees and workers of corporate office, R&D Centre, Depots and Manufacturing Plants of KNPL and its subsidiaries.

Every employee shall abide by the rules incorporated herein and shall observe, comply with and obey all lawful orders and directions that may be given from time to time in the course of employment by his/ her superiors/ departmental heads.

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CONDUCT RULES

Every employee shall devote his/her time and efforts towards the furtherance of business of the Company with the highest degree of morality and integrity and continuously strive for improvement in its productivity and profitability.

OBLIGATION TO MAINTAIN SECRECY

All employees are required to maintain strictest secrecy regarding the company's affairs and shall not divulge (either during the course of employment or thereafter) or disclose to any person whatsoever or make any use whatsoever for their own purpose or for any purpose other than that of the company of any information or knowledge obtained by them during their employment as to the business or affairs of the company or its methods or as to any trade secrets, or secret process of the company. They shall also endeavour to prevent any other person doing so.

EMPLOYEE TO PROMOTE COMPANY'S INTEREST

All employees shall serve the Company honestly, faithfully, and diligently and shall endeavour to promote the interest of the Company and shall be courteous in dealings with co-employees as well as outsiders

EMPLOYEES NOT TO PARTICIPATE IN POLITICS

No employees shall take active part in politics or any political demonstration or stand for election for any political position. Neither shall they participate in any demonstration which would incite an offence as described in "The Indian Penal Code or any other law for the time being in force.

EMPLOYEE TO BE PUNCTUAL

All employees are expected to be regular and punctual in their attendance at work.

EMPLOYEE NOT TO JOIN OR FORM AN ASSOCIATION

No employee shall join or form an association, the objectives or activities of which are prejudicial to the interest of the Company. In the event any such employee is found to join such association or attempts to form such association would be liable for termination of his/her employment without any notice.

DEALINGS WITH THE PRESS

No employees shall communicate to the Press anything relating to the affairs of the Company or publish any paper in any journal/ magazine without the prior approval sanction of the management. They shall not Participate in or get associated with any Radio Television broadcast or in publication or in Communication to the Press or publish speeches / utterances without prior approval of the management.

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DEVELOPMENT OF PATENTS

No employee shall acquire any patent rights of any products/ goods/processes which he/she develops during his/her employment with the Company. Any such patent or process improvement becomes the property of the Company, and the employee concerned cannot claim any rights, whatsoever. All know how's which employees acquire because of research and development activity shall pass on to the Company.

EMPLOYEES NOT TO SEEK OUTSIDE EMPLOYMENT

All employees are whole-time employees of the Company. No employee shall, except with the written permission of the Management, engage directly or indirectly in any trade or business or undertake any other employment or consultancy or undertake such trade /business / consultancy etc. on behalf of anyone else either with or without remuneration during the course of his/her employment with the company. However, they may, without prior approval, undertake honorary work of social charitable or religious nature or occasional work of literary artistic nature provided that such work does not interface with the performance of their duties.

PRIOR PERMISSION FOR JOINING OUTSIDE COURSE

In case an employee wishes to join any outside course (part time or full time) or undertake any study for his/her own enhancement, he/she would be required to take prior permission from the management. Such permission would be granted, provided that the management is satisfied that such work does not interfere with the performance of duties of the employee concerned and that such study is relevant to his/her or Company's business.

EMPLOYEE NOT TO TAKE ANY GIFTS

No employees shall either directly or indirectly accept gifts either in cash or kind from business partners in India or abroad. Any gift received from any source or from any person with whom the Company has business dealing should immediately be surrendered to the Company. This will, however, exclude New year/ Seasonal gift of nominal value from such source but will include provision of free transport, boarding loading or any other service or facility to the employee or his/her family / relative friends, whether specifically requested for or otherwise in India or abroad. Interpretation of what constitutes nominal value in this regard shall be at the discretion of the management and the same shall be final and binding on the employee.

An employee of the Company shall avoid the acceptance of lavish or frequent hospitality from any individual or firm having official dealing with him/her.

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DEALING WITH COMPANY'S SUPPLIERS/DEALERS/ CUSTOMERS

No employee, or any other person related to them, shall be associated with any supplier of goods, materials, or services to the Company. Similarly, no employees shall have either directly or indirectly any business arrangement outside the limits of the Company's dealings or use his/her position for any personal benefit to any friend / relation with / for any of the Company's customers/ agents/suppliers.

No employees shall either, directly, or indirectly have any business relationship with Company's present suppliers of goods / material service (including consultants) and customers and undertake to dissociate themselves for such suppliers / customers as and when directed to do so by the management.

If in future there is a likelihood of any conflict of interest in this account, prior written approval of the Managing Director shall be necessary, and the decision of the Managing Director shall be final and binding.

PRIVATE TRADING & SPECULATION

No employee shall engage in any commercial business or pursuit either on his/her own account or as an agent for others, nor act as an agent for an insurance company nor shall he/she be connected with the formation of the management of a joint Stock Company.

INSOLVENCY & INDEBTEDNESS

No employee shall resort to habitual indebtedness. In case an employee is adjudged or declared insolvent, he/she shall report the matter to the Managing Director.

CONSUMPTION OF ALCOHOLIC DRINKS/DRUGS

No employees shall be under the influence of intoxicating drinks or drugs in the office premises and adhere to the applicable laws of prohibition.

COMPANY'S PROPERTY EQUIPMENT

All employees are required to handle the Company's property/ equipment with due diligence and care. They shall return all such property equipment to the Company in good condition at the time of separation from the Company or as and when directed by the management. They shall not take any of the Company's property entrusted to them for official work to their residence for personal use.

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ABSENCE FROM DUTY

No employee shall remain absent from duty or be late in attending work or leave the workstation without prior permission of his/her department head.

However, in case of unavoidable circumstances where availing of prior permission is not possible or is difficult, such permission may be obtained later subject to the satisfaction of the departmental head.

If an employee stays beyond the period of leave originally granted or subsequently extended or is otherwise absent beyond 10 days continuously without prior permission or intimation to the departmental head, he/she shall be treated to have voluntarily abandoned the services. Accordingly, his/her name would be struck off from the rolls of the Company.

MISBEHAVIOUR-SEXUAL HARASSMENT

In case an employee is found to misbehave with any other employee within the office premises or involves an act of sexual harassment of any nature whatsoever, the concerned employee would be liable for termination from employment.

Refer to "Policy on Social Conduct"

EMBEZZLEMENT OF COMPANY'S FUNDS / MONEYS

In case an employee is found to be involved either directly or indirectly, individually or collectively in any act of embezzlement or misappropriation of Company's money or funds he/she would be liable for termination from employment.

ACCEPTING ILLEGAL GRATIFICATION

No employee shall receive any illegal gratification and if found guilty of such acts of receiving illegal gratification his/her services will be liable to be terminated.

TAMPERING WITH OFFICIAL RECORDS

No employee shall tamper with any official record or unauthorisedly destroy any official record or commit nuisance in the premises of the Company.

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HOLDING OF UNAUTHORISED MEETINGS

No employees shall hold meetings unconnected with the official business on the premises of the Company without prior permission of the management.

FURNISHING FALSE INFORMATION

No employee shall furnish false information regarding his / her name, age, father's name, qualifications, previous services or any other matter germane to the employment at the time of securing employment or during the course of employment.

CONVICTION/ARREST

An employee arrested or convicted by a court of law, shall at once report in writing the fact of his/her conviction or arrest to the Management.

CANVASSING OF NON-OFFICAL OR OTHER INFLUENCE

No employee shall bring or attempt to bring any political or other outside influence to further his/her interests in respect to matters pertaining to his/her service in the Company.

MISCONDUCT

The following actions of omission and commission inter alia, shall be treated as misconduct:

1. Theft, fraud, forgery, embezzlement, misappropriation, dishonesty in connection with the business or property of the Company or property of another employee within the premises of the Company.
2. Taking bribes or any illegal gratification
3. Making use of one's position in the Company to influence business associates or others connected with the company business for personal gains.
4. Giving false personal information regarding one's name, age, qualification, previous service or any other matter germane to the employment at the time of employment or during the course of employment.
5. Acting in a manner prejudicial to the interests of the Company.

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6. Willful insubordination or disobedience, whether or not in combination with others, of any lawful and reasonable order of his/her superior.
7. Absence without leave or over-staying the sanctioned leave without sufficient reasons or proper or satisfactory explanation.
8. Habitual late or irregular attendance
9. Neglect of work or negligence in the performance of duty including malingering or slowing down of work.
10. Willful damage to any property of the Company or to work in process.
11. Interference or tampering with any safety devices installed in or about the premises of the Company.
12. Drunkenness or riotous or disorderly or indecent behaviour in the premises of the Company or outside such premises where such behaviour is related to or connected with the employment.
13. Smoking within the premises of the establishment where it is prohibited.
14. Commission of any act which amounts to a criminal offence involving moral turpitude.
15. Breach of rules duly notified, or violation of procedures laid down in connection with the Company's business.
16. Abetment of or attempt at abetment of any act which amounts to misconduct.
17. Commissioning of any act subversive of discipline or good behaviour.
18. Non-observance of any safety precautions of rule on the subject.
19. Engaging in trade within the premises of the establishment including lending or borrowing money to and from other employees of the Company during working hours.
20. Unauthorised use of Company's premises, quarters or land.
21. Threatening, abusing or assaulting and / or obstructing employees in the discharge of their duties or instigating other employees to act against the Company.

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22. Malicious or false allegations against any employee.
23. Taking part in subversive activities.
24. Violation of conduct rules made by the Company.
25. Tampering with or unauthorised destruction of the official records of the Company.
26. Unauthorised disclosure of secret / official information in the records of the Company.
27. Holding or attempting to hold any meeting not connected with the official business on the premises of the Company without the previous permission of the Company or except in accordance with the provision of any rule or law for the time being in force.
28. Absence from the appointed place of work or leaving the workstation without permission of the departmental head.

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Note

The above instances of misconduct are illustrative in nature and not exhaustive.

GENERAL

Any employee who commits breach of the above rules or who displays negligence, inefficiency or indolence or who knowingly does anything detrimental to the interest of the Company or in conflict with its instructions, or who commits a breach of discipline or is guilty of any other act of misconduct, shall be liable to the following penalties:

- a) Warning
- b) Stoppage of increment
- c) Recovery from the salary of the whole or part of any pecuniary loss caused to the Company by the employee.
- d) Termination of employment

The above punishment would be awarded at the sole discretion of the Management and in the case of penalty of termination of his/ her employment for good and sufficient reasons, an opportunity will be given to the concerned employees to show cause why such action should not be initiated against him/her and on being not satisfied with the explanation, appropriate penalty as deemed fit may be imposed on him/her.

INTERPRETATION

If any question arises as to the application or interpretation of these rules, the decision of the Managing Director shall be final in such cases.

Mr. Sudhir Rane
Chief Human Resource Officer

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