

WHISTLE BLOWER POLICY

PURPOSE

Atlas Copco Group believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Business Code of Practice. There may, however, be situations in which people do not uphold the high standards of business conduct defined in Business Code of Practice and other policies, principle & guidelines or as laid down in applicable laws or regulations. Any actual or potential violation of these principles would be a matter of serious concern for the Group. Employees have a role and responsibility in promptly pointing out such violations. This policy is formulated to provide a secure environment and to encourage employees of Atlas Copco (India) Ltd., and to prohibit managerial personnel from taking any adverse personnel actions against those employees who report such practices in good faith.

SCOPE

This policy covers all business units and its affiliates, suppliers & contractors engaged in rendering the services. This policy applies to the following:

Employees of Atlas Copco (India) Ltd., working in India and abroad

Business partners of Atlas Copco (India) Ltd. - such as contractors, suppliers, agents & consultants.

REPORTING COVERAGE:

Complaints in the following areas will be entertained by ethics helpline:

Violation of Business Code of Conduct <ul style="list-style-type: none">• Willful non-adherence to guidelines defined by Business Code of Practice
Fraud <ul style="list-style-type: none">• Timing or integrity in reporting of financial or accounting transactions• Willful non-adherence to financial regulations or guidelines defined by Business Code of Practice• Kickbacks, Procurement
Conflict of Interest <ul style="list-style-type: none">• Any transaction, activity or relationship that could result in interference to the position held within the organization
Corruption & Bribery <ul style="list-style-type: none">• Receiving or offering of any consideration – financial or otherwise – to/from any internal or external party regardless of actual motivation
Harassment and Workplace Practices/ Discrimination <ul style="list-style-type: none">• Discrimination at the workplace based on caste, color, religion, sex, sexual preferences• Prevention of harassment, sexual or otherwise, at the workplace• Victimization

For the purposed of the policy, we would only address harassment and work place practices/ discrimination. Issues related to performance appraisal, salary review, variable compensation, promotions

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and other Human Resources issues are outside of scope of this policy and to be addressed through normal channels within the organization.

BEFORE REPORTING VIOLATIONS:

Before you contact the toll free number or send your report via email to atlascopco@ethicshelpline.in try to give answers to the following questions: Who, what, where, why, when and how. If possible, provide appropriate contact details to the helpline as your identity is assured to remain anonymous.

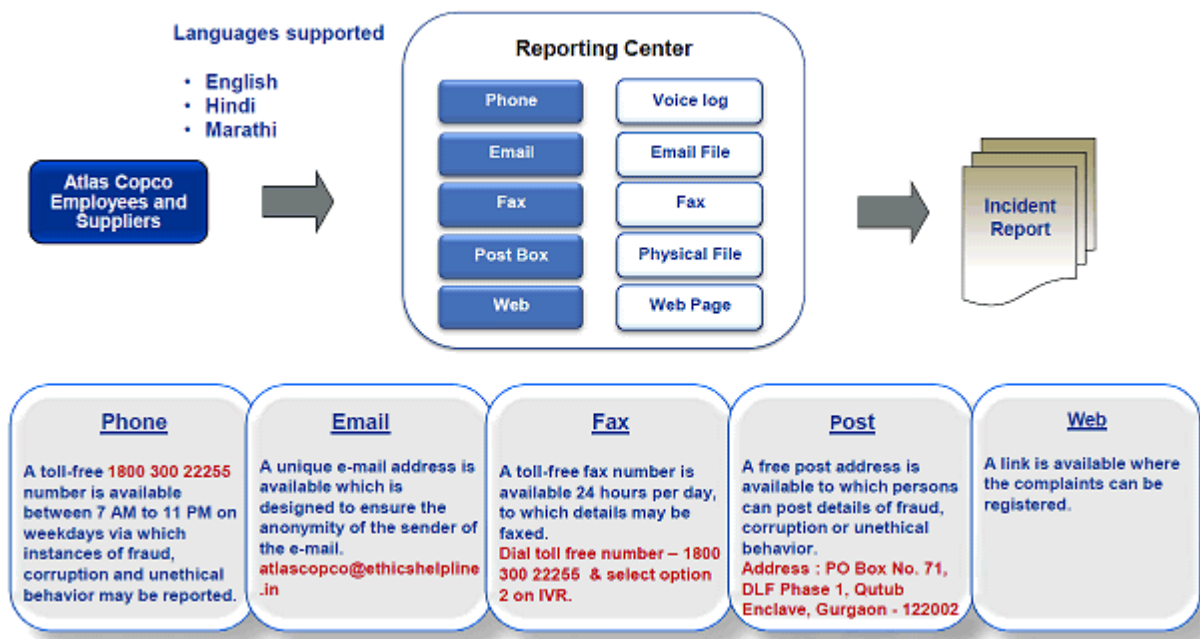
Behavior or actions that are, or for good reasons may be perceived as, violations of laws or of the Atlas Copco Group Business Code of Practice or Policies, principles & guidelines should be reported to the nearest manager. Managers are expected to treat such matters both seriously and in compliance with the Group's policies and values, providing full confidentiality to the person reporting the issue.

Should the manager not want to listen, not want to act, or if s/he is involved, the issue should be reported to his or her manager. Should this not be possible, for the same type of reasons, reports /complaints can be communicated on helpline toll free number or sent directly by email, fax, post or a web link.

HOW TO REPORT VIOLATIONS:

Company has engaged third party service provider i.e. KPMG to manage our ethics helpline. KPMG has the experience of managing such mechanisms and would provide independence to matters reported.

Following ethics helpline channels are made available by KPMG for reporting the violation:



INVESTIGATIONS:

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All reports under this policy will be promptly and appropriately investigated and all information disclosed during the course of the investigation will remain confidential, except as necessary conduct the investigation and take any remedial action, in accordance with applicable law. The management shall complete the investigation within 90 days of the receipt of the complaint and submit its report to Chairperson of Audit Committee. The Chairperson will discuss the report with Management of the Company and decision on the report will be taken by Chairperson of Audit Committee in consultation with the Management and Committee Members. Decision of chairperson of Audit Committee in this regard will be final.

ROLES, RIGHTS & RESPONSIBILITIES OF WHISTLE BLOWER

Whistle blowers provide initial information based on a reasonable belief that an alleged wrongful conduct has occurred. The motivation of a whistle-blower is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of a false report, whether orally or in writing, is itself considered an improper activity. Whistle blowers shall refrain from obtaining evidence for which they do not have a right of access. Such improper access may itself be considered an improper activity.

Anonymous whistle blowers must provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrongdoing or broad allegations would not be undertaken without verifiable evidence. Because investigators are unable to interview anonymous whistleblowers, it may be more difficult to evaluate the credibility of the allegations and, therefore, less likely to cause an investigation to be initiated.

Whistleblowers are “reporting parties”, not investigators. They are not to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the investigating authority.

The identity of the whistleblower will not be disclosed except where required under the law for the purposes of investigation. Whistleblowers are encouraged to leave their contact details with the helpline provider in case additional relevant information may be required by the company. In such a case the helpline provider will contact the whistleblower for such additional information without disclosing their identity to the company.

The whistleblower can also opt to have their details shared with the company. In such a case, the company will no longer be obligated to not disclose the whistleblower’s identity.

A whistleblower’s right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation or any other misconduct or wrongdoing.

This policy may not be used as a defense by an employee against whom an adverse personnel action has been taken for legitimate reasons or cause under Company rules and policies. It shall not be violation of

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this policy to take adverse personnel action against an employee, whose conduct or performance warrants that action, separate and apart from that employee making a disclosure.

Whistle Blower will be entitled to give a request for appearance before the Audit Committee to represent the complaint. Such request shall be made directly to the Chairperson, Audit Committee. In appropriate or exceptional circumstances, the Chairperson, Audit Committee may allow the Whistle Blower to appear directly before Audit Committee in respect of his complaint.

In case of repeated frivolous complaints being filed by an employee, the Audit Committee may take suitable action against the concerned employee including reprimand.

WHISTLEBLOWER PROTECTION:

No unfair treatment will be meted out to a whistle blower by virtue of his/her having reported a protected disclosure under this policy. The Company as a policy condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistleblowers. Atlas Copco shall not dismiss, discharge, demote, suspend, threaten, harass or in any manner retaliate or discriminate against an employee on account of his/her having made a complaint in good faith, disclosed information relating to a complaint as part of an investigation or otherwise participated in an investigation relating to a complaint reprisals are considered a serious violation of this policy and appropriate action will be taken to avoid further damage to this employee and to discipline those responsible for the reprisals. If you have reasonable ground to fear that the reporting of an alleged breach will lead to repercussions you can inform the Managing Director of the Company.

The identity of the whistle blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the whistle blower.

CONFIDENTIALITY:

All reports will be treated confidentially and you will be given complete anonymity, if you request this at the point of reporting any violation.

FREQUENTLY ASKED QUESTIONS (FAQ):

Q. What will happen after I submit a report?

A. Your complaint will be documented and shared with the designated point of contact in Atlas Copco (India) Ltd., Pune. All complaints will be thoroughly investigated and appropriate action will be taken as per the decision of the Chairperson, Audit Committee in consultation with the management and Committee members thereafter.

Q. How can I be sure that my report will remain anonymous and confidential?

A. Those who wish to remain anonymous can by not providing personal information when filing the complaint. Additionally, the helpline is managed by the third-party reporting service KPMG Ethics Helpline and is not released to the Atlas Copco.

Q. I'm afraid of retaliation if I file a report. Should I be?

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A. The whistleblower is protected from retaliatory or adverse personnel action for disclosing certain information including, but not limited to, suspected acts of fraud, corruption or violation of business code of conduct.

Q. What happens if a claim is investigated and found to be untrue?

A. Investigation will stop as soon as the complaint investigator reaches the level of evidence that either validates a claim or proves it to be false. If a claim is unsubstantiated, the report will be closed and no further action will be taken.

Q. What happens if a claim is investigated and found to be true?

A. If an investigation substantiates allegations with enough relevant and credible evidence, the investigation report will be presented to management to take necessary action.

Q. What is the turnaround time for report to be closed?

A. The investigation will be completed within 90 days and report will be submitted to the Chairperson of Audit Committee, Atlas Copco (India) Ltd..

Q. How will I get the response to the incident reported at Ethics Helpline?

A. A unique complaint reference number will be provided to the complainant for obtaining the status of the complaint. The complainant can check for the status by calling on the Ethics Helpline after 90 days.