

WHISTLE BLOWER POLICY OF ROYAL ORCHID GROUP

1. INTRODUCTION

Royal Orchid Hotels Limited and its subsidiaries (collectively referred to as “the Company” or “ROHL”) are committed to the highest standards of transparency, professionalism, honesty, integrity, ethical behavior and accountability in conducting its business. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

An important aspect of transparency and accountability is a mechanism to enable employees of the Company to voice their Protected Disclosures in a responsible and effective manner. It is a fundamental term of every contract of employment with the Company that an employee will faithfully serve his or her employer and not disclose confidential information about the employer’s affairs. Nevertheless, where an employee discovers information that he/she believes shows serious malpractice, impropriety, abuse or wrongdoing within the organization, especially at the higher levels, then he should be able to disclose this information internally without fear of reprisal.

Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach the various Committees of the Company. This policy is modified as per the requirements of the Companies Act, 2013 and SEBI Regulations.

2. SCOPE OF THE POLICY

2.1 This policy covers all employees of ROHL and its subsidiaries. The policy covers all permanent and temporary employees whether on Contract or on employment.

2.2 The Policy covers all ‘**Alleged Wrongful Conduct**’ and ‘**Malpractices**’ which have taken place/ suspected to take place involving, but not limited to:

A. Alleged Wrongful Conduct:

Alleged wrongful conduct shall mean and includes, but not limiting to

- a. Corporate Governance
 - Related Party Transactions
 - Misappropriation of funds
 - Non compliance to the law of the land or violation of law
 - Concealing legal mandatory disclosures
 - Breach of fiduciary responsibilities
 - Infringement of Company Code of Conduct

- Breach of integrity and ethics policy
- Prohibitive Insider Trading Code of the Company
- b. Financial Irregularities
- c. Sexual Harassment
- d. Infringement and misuse of Intellectual Property

B. Malpractices:

Malpractices includes, but not limiting to:-

- (a) Any unlawful act, whether criminal (e.g. theft) or civil (e.g. slander).
- (b) Breach of any Policy or Manual or Code, contract adopted by the Company.
- (c) Abuse and wrongdoing (e.g. through physical, psychological or financial abuse, exploitation or neglect).
- (d) Fraud and corruption (e.g. to solicit or receive any gift/reward as a bribe).
- (e) Any instance of failure to comply with legal or statutory obligation either on behalf of the Company or in any personal capacity in the course of discharging duties of the Company.
- (f) Any kind of financial malpractice.
- (g) Abuse of power (e.g. bullying/harassment).
- (h) Negligence causing substantial and specific danger to public health and safety
- (i) Wastage/misappropriation of company funds/assets
- (j) Any other unethical or improper conduct.

2.3 This policy has been introduced by the Company to enable ROHL employees to raise their Protected Disclosures about any ‘Alleged Wrongful Conduct’ or ‘Malpractice’, at an early stage and in the right way, without fear of victimization, subsequent discrimination or disadvantage. However, employees are not to use this mechanism to question financial or business decisions taken by the Company Management or to reopen issues, which have already been addressed pursuant to disciplinary or other procedures of the Company.

2.4 The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

Whistle Blowers should not 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 Committee Heads.

3. EFFECTIVE DATE OF POLICY

This policy will be effective from April 1, 2014.

4. COMPANY GUARANTEES UNDER THE POLICY

4.1 Protection:

- 4.1.1 The ROHL, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.
- 4.1.2 The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Employees who, acting in good faith, raise genuine Protected Disclosures under this policy will not be at risk of losing their jobs or be subjected to any kind of harassment or pressure from the Management, even if their Protected Disclosures are not validated.
- 4.1.3 The Company will take appropriate action to protect the identity of employees who raise Protected Disclosures in good faith, unless forced by circumstances to so reveal, in which case the employees will be taken into confidence and his interests adequately protected.
- 4.1.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 4.1.5 If employees make allegations in good faith, which is not confirmed by subsequent investigation, no action will be taken against the disclosing employees. In making disclosures, employees should exercise due care to ensure the accuracy of the information.

4.2 Disqualifications

- 4.2.1. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 4.2.2 If an employee believes that he or she has been retaliated against in the form of any adverse action for disclosing a Protected Disclosure

under this policy he/she may file a written complaint to the Audit Committee seeking redress.

4.2.3 For the purposes of this policy, an adverse action shall include a disciplinary suspension, a decision not to promote, a decision not to grant a salary increase, a termination, demotion, rejection during probation, a performance evaluation in which the employee's performance is generally evaluated as unsatisfactory, a forced resignation or an unfavorable change in the general terms and conditions of employment.

5. PROCEDURE FOR DISCLOSURE, ENQUIRY AND DISCIPLINARY ACTION

5.1 How to disclose Protected Disclosures?

- An employee intending to make any disclosure of a protected disclosure Protected Disclosure is required to disclose all relevant information regarding the Protected Disclosure at the earliest from the day on which he/she knew of the Protected Disclosure.
- Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in the regional language of the place of employment of the Whistle Blower.
- The Protected Disclosure, if forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Committee shall detach the covering letter and discuss the Protected Disclosure with Members of that Committee.
- The Whistle Blower must disclose his/her identity in the cover letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Audit Committee as it would not be possible for it to interview the Whistle Blowers.
- Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

5.2 To whom should Protected Disclosures be disclosed?

The Protected Disclosure should be disclosed through E-mail or telephone, fax, letter to VP HR and Audit Committee at Corporate Office.

5.3 Who will investigate into the Protected Disclosure?

The Committee or the persons designated by Audit Committee, as the case may be will investigate the Protected Disclosure, either by themselves directly or through officers of their choice.

5.4 Who will take a decision Vis a Vis the Protected Disclosure?

In case of employees other than Member of Board, Senior Management, Finance Head, the Committee will take the Decision and in rest of the case the Audit Committee will take a final decision on the issue.

5.5 Reporting to Audit Committee regarding the Protected Disclosure

Ethical Committee shall prepare a detailed written report on the status of Protected disclosure and submit the same to the Audit Committee at the end of each quarter.

5.6 Procedure to be pursued by the Audit Committee

The Audit Committee shall review the status of action report on protected disclosure, if any, submitted by the Committee on a quarterly basis. In case of protected disclosure against the Committee members, shall appoint persons as deem fit for investigating and take a final decision in the matter, not later than 30 days from the date of receipt of the said report. All decisions of the Audit Committee will be by a simple majority.

The Committee shall, in consultation with the Audit Committee of the Board of Directors, frame such rules as may be deemed necessary to enable a fair conduct of inquiry and investigation as well as decision.

The Committees, in consultation with the Audit Committee, shall define procedures for maintenance and improvement of good ethical practices and monitor on a continuous basis for better standards of ethics and minimize the chances of alleged wrongful acts.

5.7 Appeal against the decision of the Audit Committee

If the Complainant or the person complained against is not satisfied with the decision of the Audit Committee, then either of the Parties could prefer an appeal against this decision before the Company's Board and the decision of the Board in the matter will be final and binding on all the parties in relation to the terms of employment. Appropriate appeal procedure may be formulated by the Board, ensuring principles of natural justice and the Subject shall have right of remedies under the law.

5.8 Maintaining confidentiality of the Protected Disclosure

The employees disclosing the Protected Disclosure as well as any of the persons to whom the Protected Disclosure has been disclosed or any of the persons who will be investigating or deciding on the investigation as well as the members of the Audit Committee shall not make public the Protected Disclosure disclosed except with the prior written permission of the Audit Committee. However, this restriction shall not be applicable if any employee is called upon to disclose this issue by any judicial process and in accordance with the laws of land.
