

VELAN HOTELS LIMITED

Whistleblower Policy

1. Purpose

The "Whistleblower Policy" encourages Directors and employees (hereinafter referred to as 'employees') to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the Velan Code, that could adversely impact the Company's operations, business performance and / or reputation. The Company will investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

2. Policy

It is VELAN's Policy:

- To create an environment where every employee feels free and secure to report specific incidents of unethical behaviour, actual or suspected incidents of fraud or violation of the Velan Code;
- To investigate such reported incidents in a fair manner;
- To take appropriate disciplinary action against the delinquent employee(s);
- To ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company.

The practice of this Policy will be overseen by the Audit Committee of the Company.

3. Reporting Mechanism

- a. Employees are encouraged to bring to the attention of the Company incidents pertaining, inter alia, to:
 - Illegal or unethical conduct including that which adversely affects investors, shareholders, customers, suppliers, other employees, or the business performance or image or reputation of the Company;
 - Violation of any law or regulation including actual or suspected fraud;
 - Conflict of interest with the Company;
 - Leaking of confidential or proprietary information of the Company;
 - Any other violation of the VELAN Code.

- b. A Whistleblower complaint may be made by any employee (hereinafter referred to as the 'complainant'). Such complaint should be sent to his or her immediate reporting authority, with copies to Managing Director. Anonymous complaint will not be entertained. If the complainant has reasons to believe that the concerned immediate reporting authority or his / her superior is involved in the suspected violation, the complaint may be addressed directly to the Managing Director. .
Complaint by or against senior management (as defined in the Velan Code) should be made to the Chairman of the Audit Committee with a copy to the Managing Director.
- c. Complaint shall be made in writing and must include as much information about the suspected violation as the complainant can provide. It should describe:
- ❖ the nature, period of commission and details of the alleged violation;
 - ❖ the identities of the persons suspected to have committed the alleged violation; and
 - ❖ a description of the documents that would prove or relate to the suspected violation.
- d. Employees are encouraged to report such incidents as early as possible, in any case within 30 days of the suspected violation / breach noticed by him / her, so that timely action can be taken.

5. Investigation

- Upon receipt of a complaint (other than by or against senior management), the Managing Director will make an assessment thereof and on being satisfied as to the seriousness and credibility of the complaint, direct the complaint for investigation, in consultation with the General Counsel, to the Audit Committee of the Company.
- All employees have a duty to cooperate in an investigation.
- All information disclosed during the course of an investigation, including the identity of the complainant, will be kept confidential, except as necessary or appropriate to disclose for the purposes of the investigation or where required to be statutorily disclosed.
- The report of the investigation shall be submitted by the Audit Committee to the Board of Director alongwith reasoning and supporting material.

- Complaint by or against senior management will be investigated as directed by the Audit Committee.
- If the Board of Directors / the Audit Committee determine that a violation has occurred, the Company will take appropriate action which may include disciplinary proceedings against the violator, including termination of employment.

6. No Retaliation

- This Policy is intended to encourage and enable employees to raise bonafide concerns. No employee who reports a violation shall suffer any harassment, retaliation or adverse employment condition as a consequence of such reporting.
- Any employee who retaliates against a person reporting a violation will be subject to disciplinary proceedings, which may extend to termination of employment.

7. Complaint to be made in good faith

- A complainant must act in good faith and have reasonable grounds for forming a belief that his or her complaint constitutes a violation as described under Clause 4(a).
- This Policy must not be used as a tool for victimisation, making false allegation or acting malafide.
- Any person who is found to be making baseless, reckless, malicious or deliberately false allegation, shall be subject to disciplinary proceedings, which may extend to termination of employment.

8. VIGIL MECHANISM

The Board has framed Vigil Mechanism as per Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Audit Committee has been authorized to oversee the Vigil Mechanism. Sri M.R.Gautham, Executive Director has been nominated to facilitate the Vigil Mechanism.

The Vigil Mechanism is intended to provide adequate safeguards against victimization of employees and to facilitate to report the genuine concerns or grievances.