

# **Chalet Hotels Limited**

CIN: L55101MH1986PLC038538

Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai 400051

Website: [www.chalet-hotels.com](http://www.chalet-hotels.com)

Tel:- 91-22-26564000

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## **CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

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Chalet Hotels Limited (Chalet) believes in setting the highest standards in ethical behavior and corporate governance policies.

Chalet is committed to compliance with all laws and regulations that apply to it, with the spirit and intent of high business ethics, honesty and integrity. To this end, the Company requires all Directors and its Senior Management to respect and embrace the principles set forth in this Code of Conduct ("Code").

This Code of Conduct outlines the Company values, principles and guidelines in all avenues, and enables the company to publicly state to all its stakeholders, the way in which it intends to do business.

The Board of Directors has formulated a code of conduct for its Board Members and Senior Management pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Relevant sections of the Listing Regulations stipulates as under:

- The Board shall lay down a Code of Conduct for all Board Members and Senior Management of the Company. This Code of Conduct will be posted on the website of the Company.
- All Board members and Senior Management personnel shall affirm compliance with the code on an annual basis.
- The Annual report of the Company shall contain a declaration to this effect signed by the CEO.

The expression Senior Management means the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the Company.

### **Introduction:**

Chalet has adopted this Code of Conduct to govern the conduct of the members of the Board of Directors and Senior Management and to provide a mechanism for disclosure leading to informed decisions in matters involving business ethics for the Board of Directors and its Senior Management.

This Code of Conduct helps to ensure compliance with legal requirements and to set the standards of business conduct.

The Board of Directors and Senior Management must act within the purview of authority conferred upon them. It is the duty of the Board of Directors to make informed decisions and policies in the best interest of the Company and its shareholders and stakeholders.

With a view to maintaining high standards, the published Code of Conduct should be observed in all the activities of the Board and the Company.

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The Company is committed to keeping the policies updated and abreast with changes in the law/legislation and accordingly this Code of Conduct will be suitably revised from time to time.

## **Our Ethical Standards Honesty and Integrity**

All Directors and Senior Management shall conduct themselves and all their activities, whether on their own behalf or on behalf of the Company with honesty, integrity and fairness. All actions shall be taken in good faith, with due care, caution, competence and diligence, without their independence of opinion being compromised in any manner. The interests of the Company shall be of supreme concern while arriving at a conclusion for any decision taken on behalf of the Company and in case of a conflict, the interest of the Company shall prevail.

## **Compliance with all Laws, Rules and Regulations**

Directors and Senior Management are required to comply with all applicable laws, rules and regulations, both in letter and in spirit. In order to promote lawful and ethical behaviour, Directors and Senior Management must report any violation/possible violation of law, rules, regulations or this Code of Conduct to the Company Secretary.

## **Maintenance of Records**

The authenticity and accuracy of information, accounting and all statutory records should be properly prepared and preserved for proper decision making. Records shall be maintained in accordance with all applicable laws and regulations including compliance with the applicable Accounting Standards of the Institute of Chartered Accountants of India. Business transactions should be suitably and accurately reflected in the books/records of the Company. Records will reflect and describe the nature of the underlying transactions of the Company. Accounting policies that are selected for the preparation of accounts shall be applied consistently. Proper and sufficient care will be taken for the maintenance of adequate records, accounting or otherwise, and in accordance with the provisions of applicable legislation for safeguarding the assets of the Company.

## **Transparency**

The Company is committed to openness in our dealings with our stakeholders. Transparency and honesty is the guiding principle. The Company also has in place a Vigil Mechanism Policy which allows reporting of any malpractices that may have been noticed.

## **Protection of Assets**

Protecting Company assets is a key fiduciary responsibility of Directors and Senior Management. Proper use of Company's property, electronic communications systems, material facilities and equipment is your responsibility. Care should be taken that assets are not misappropriated, loaned to others, sold, donated or taken out in any manner without appropriate authorization. Directors and Senior Management are responsible for use of Company assets, and must safeguard all the Company's assets against loss, damage, misuse or theft. Directors and Senior Management shall not employ Company assets for personal use, nor shall they allow any other person to misuse Company assets.

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## **Excellence in Behaviour Individual responsibility and involvement**

The skill and commitment of our people are our greatest assets. All our associates are expected to accept individual responsibility for their ethical conduct. We strive to involve our colleagues into decision-making processes in order to achieve our common goals with reliability and commitment.

## **Mutual Respect and Openness**

All relations between directors, managers and associates of all levels shall be guided by mutual respect, openness, honesty and a spirit of trust and co-operation.

The Company is committed to fair and open debate and seeking varying opinions. We motivate our colleagues to speak up promptly, and to address their ideas and concerns.

Team spirit is triggered by open-mindedness. We therefore support an open door policy and initiatives to share and exchange knowledge.

## **Diversity and Discrimination**

Equality is a guiding principle in our employment policy. Skills, performance and ethical conduct are our only indicators for employee qualification.

## **To Lead by Example**

The Board of Directors and Senior Management are the guiding force for the Company. It shall be their duty and responsibility to set an example by good leadership, which would require:-

- good conduct, honesty and integrity towards the organization
- an appropriate dress code
- humility in discussing matters with associates.
- restraint in the use of abusive language in all official dealings
- to lead by self-commitment and self-motivation
- to exercise powers with reasonable discretion after evaluating consequences
- to induce a feeling of loyalty towards the organization
- to be humane and indiscriminate towards associates and all stakeholders

## **Health Management**

The Company is committed to a drug-free workplace. Sale, consumption and use of alcohol are permitted at our Units, which are licensed to do so. Any Member of the Board and Senior Management who consumes or is under the influence of illegal drugs at the workplace/assignments shall be deemed to be in violation of this Code and the Company shall be entitled to initiate such action as may be deemed fit.

## **The following are the Guiding Principles adopted by the Company.**

- ☐ We will not take what is not ours.
- ☐ The obligation to dissent (Against a viewpoint that is not acceptable)
- ☐ We will have an environment conducive to openness.
- ☐ We will believe in innovation.
- ☐ We will have an environment conducive to development.
- ☐ We have the willingness to apologise and forgive.
- ☐ We will respect our customers' rights.
- ☐ We will create an environment of trust.

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- ☐ We shall be fair.
- ☐ We will be socially responsible.

## **Our Business Integrity Conflict of Interest:**

All the members of the Board and Senior Management has a responsibility towards the Company, Stakeholders and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that situations where a conflict of interest might occur, or appear to occur, must be avoided.

Directors on the Board of the Company and Senior Management shall not engage in any business, relationship or activity, which may be in conflict with the interest of the Company or the group. A conflict of interest exists where the interest or benefits of one person or entity conflict with the interest or potential benefits of the Company. No employee, including key managerial personnel or director or promoter 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, in terms of provisions of Listing Regulations.

## **Fair Competition**

We are committed to free enterprise and fair competition, respecting social responsibilities. Company business must be conducted solely on the basis of merit and open competition. We hire suppliers, agents or other intermediaries only by fair assessment.

We are legally bound to make business decisions in the best interest of the Company, and do not engage in anti-competitive activities such as developing understandings or agreements with a competitor which may have a negative impact in a competitive market.

## **Bribery and Corruption**

We deal with all our customers, suppliers and government agencies in a straightforward manner and in strict compliance with law.

This includes any transaction that might appear to be arranged for granting concessions or benefits, such as 'kickbacks', subcontracts, purchase orders, or consultancy agreements.

## **Gifts and Benefits:**

Directors or Members of the Senior Management of the company should not solicit services, gifts, or benefits from customers or suppliers that influence or appear to influence the associates' conduct in representing the Company. Any business dealings should always be free from even the perception that favourable treatment was sought, received or given in exchange for gifts or favors.

## **Juridical Proceedings:**

Associates must avoid activities that could involve or lead to involvement of Chalet or its personnel in any unlawful practice, including the employment of personnel or use of company assets for illegal gain.

Lawsuits, legal proceedings and investigations concerning Chalet must be handled quickly and properly in order to protect and defend the company.

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## **Confidentiality of Information:**

The Company's confidential information is a valuable asset. The Company's confidential information includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, business plans, administration and commercial, property plans and data, vendor list, legal, and /or technical data that are either provided to or made available to the Directors and Senior Management by the Company to facilitate work, or that Directors and Senior Management are apprised of or have access to by virtue of their position or employment with the Company. This information is the property of the Company and may be protected by patent, trademark, copyright and trade secret laws, and must be considered as confidential and held in confidence, unless otherwise authorised to do so, and when disclosure is required as a matter of law. No Director or Member of Senior Management shall provide any information, either formally or informally, to the press or any other publicity media, unless specially authorised.

Directors and Senior Management must co-operate with appropriate government inquiries and investigations. In this context, however, it is important to protect the legal rights of the Company with respect to its confidential information. All government requests for information, documents or investigative interviews must be referred to the Company's Legal Department. No material financial information may be disclosed without the prior approval of the Chief Financial Officer of the Company.

## **Our Social Responsibilities Communities**

We are committed to support the communities in which we work and recognize the need to contribute to their wellbeing with our know-how and professional skills.

## **Environment**

We acknowledge the impact of our business activities on the environment and are committed to improving our environmental track record through precautionary measures and the use of environmentally friendly technology.

We want to measure our processes and services against the highest quality standards.

## **Waivers**

Any waiver of any of the provisions of this Code of Conduct for a member of the Board of Directors or Senior Management must be approved in writing by the Company's Board of Directors.

## **Amendment to this Code**

The Company may amend this Code to meet the requirements of the statute and the business interest of the Company, subject to the approval of the Board.

## **Compliance Officer**

The Company Secretary shall act as a 'Compliance Officer' and shall monitor compliances in consultation with the Managing Director.

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## **Annual Certification**

Every Director and member of Senior Management of the Company will be required to certify compliance with this Code within 15 days of the close of the financial year of the Company. Such certification shall be in the form provided in the format as follows:

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To,

The Compliance Officer  
Chalet Hotels Limited

Sub: Compliance Certificate

I, being a [member of the Board of Directors] / [Senior Management Personnel] of Chalet Limited ("the **Company**") hereby acknowledge, confirm and certify that:

I have received, read and understood the Code of Conduct for Board of Directors and Senior Management of the Company;

I am bound by the said Code to the extent applicable to my functions as a [member of the Board of Directors] / [Senior Management personnel] of the Company;

During the financial year \_\_\_\_\_, I have complied with the provisions of the said Code.

Yours faithfully: [Name of director]  
[DIN] / [Employee Code]

Please sign and return this disclosure to the Compliance Officer or Company Secretary.