CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Lakeland hotels Limited has built a reputation as a successful organization with high ethical and corporate governance standards. It seeks to attain its corporate objectives by rendering high quality of services to the customers though the high principles, integrity, honour and all round concern for the stake holders, its employees and its clientele.

It is committed to develop, reward and recognize our people who endeavor to meet and exceed the customer and shareholders expectations profitably.

It is committed to ensure compliance with all laws and regulations that applies to it with the spirit and intent of business ethics, honesty and integrity. To attain this objective, it requires all Directors and Sr. Management personnel to respect and embrace the principles enunciated under the code of conduct brought out hereunder.

WHAT IS THE CODE OF CONDUCT:

A code of conduct is a written document that brings out the values, principles and guidelines in variety of areas an entity is dealing with and enables the entity to publicly state to its suppliers, customers, consumers and shareholders the way in which it intends to transact its business to attain its corporate objectives

NECSSSITY OF THE CODE OF CONDUCT:

Lakeland Hotels is a company the Equity shares of which are listed on Mumbai, Madhya Pradesh and Delhi Stock Exchanges and it must comply with the provisions contained under the listing agreement in general and with respect to the corporate governance specified under Clause 49 of the Listing Agreement.

The revised Clause 49 effective from 1st day of January, 2006, stipulates, inter-alia, as under:

1. It shall be obligatory for the Board of Directors of a listed company to formulate a code of conduct for observance by its Board Members and its senior management personnel and that the formulated code must be posted at the website of the Company.

2. All the members of the Board and Sr. Management Personnel of the Company shall affirm in writing annually the observance of the Code

3. Every Annual Report of the Company shall contain a declaration signed by the CEO of the Company to the effect that there has been due compliance/ observance of the Code

4. .Sr Management personnel shall include all members of the management one level below the Executive Directors, including the functional head.

To ensure the compliance of standard contemplated under the Clause 49 of the Revised Listing Agreement, the Board of directors, in their meeting held on 1st day of January, 2006, has formulated a code of conduct for its members and senior management personnel as under:

ETHICAL STANDARDS:

All the Members of the Board and Sr. Management Personnel shall carry out their respective activities for and on behalf of the Company and on their personal behalf with honesty, integrity and fairness and the Board members shall in all aspects in their relation to the company shall act in good faith, with due care, diligence, competence and responsibility and independent judgement in the interest of all the concerned and the Sr. Management Personnel too will act in the best interest of the Company.

COMPLIANCE OF LAWS:

All the members of the Board and Sr. Management Personnel shall comply with all applicable laws, rules & regulations in letter and spirit and help others within the company in promoting lawful behavior and any non-compliance of law, rules and regulations as well as the code of conduct must be promptly reported to the CEO or Secretary Company.

ACCOUNTING AND THE RELATED REPORTINGS:

The Company relies upon the financial statements formulated in accordance with the Accounting Standards stipulated by the Institute of Chartered Accountants of India time and again along with the authenticity and accuracy of information in its accounting records for decision making purposes.

It is therefore important to ensure that the accounting records are protected and all business transactions are reflected accurately in accordance with the established procedures and standards.

OUR ENGAGEMENTS

Customers Satisfaction:

We know that customers' satisfaction guarantees our success and that, therefore, the Company accords highest priority to the satisfaction of our customers. Our activities must therefore be regulated by intimate knowledge of the requirements of our customers and the market environment.

We know that the reputation and goodwill of our Company is measured by our ethics, social commitments as much as by the quality of our services and products offered to the clients and therefore we always endeavor for observance of best possible practice in all these areas.

Transparancy in dealings:

We are committed to remain always open and transparent in our dealings with shareholders. Honesty, Transparency shall be our guiding principles in all our communications and activities with external as well as internal entities.

PROTECTION OF ASSETS OF THE COMPANY:

Protection of assets of the company is the responsibility of the Board of Directors and Sr. Management. Therefore, all of us must ensure that there is no mis-appropriation of or negligence in managing the assets of the Company. We must see that our lending to others, sale of assets, donations etc. are carried out under proper authorizations and see that assets are protected against all sort of loss, damage, misuse and fraud and theft and that the assets are used in the bona fide interest of the Company and not put to personal use of any of us.

EXCELLENCE OF BEHAVIOR

We know that skills and honest & ethical commitments of our workforce are our much cherished assets. We must therefore ensure that our workforce does conduct business in an entrepreneurial way accepting individual responsibility therefor. We constantly endeavor for and promote collective decision making, responsibility and commitments to attain the corporate objectives.

DIVERSITY AND DISCIMINATION:

We support open door policy and initiatives to share and exchange knowledge. Our mutual relationships at all levels shall be governed and guided by mutual trust, respect, frankness, honesty and cooperation and to materialize this goal we always look for feedback and motivate members of the work force to speak frankly, promptly to address their ideas and concerns.

Skills, performance, honesty and ethics are the indicators for selection of workforce. We neither allows nor tolerate discrimination based on gender, caste, religion, age, disability, sex, domicile and the like.

CONFLICT OF INTEREST:

Although our engagement in personal investment and other transactions do not prevent us to fulfil our duties and carry out responsibilities, there come across situations where a conflict in personal and company interest occur which we must avoid. A conflict of interest happen to exist where the interest of one person conflicts with the actual or potential interest of the Company.

In the matter of such likely conflicts, we must see that

- Directors and Sr. Management Personnel do not engage in any activities which interferes or has potential of interfering with their performance or responsibility towards the company or is prejudicial to the present or prospective interest of the company.

- Executive Directors and Sr. Management Personnel do not take up any outside employment

- Directors, Sr. Management Personnel and their respective family members do not make any investment which tends to compromise their responsibilities and commitments towards the company. In case there arises any doubt as to whether or not any particular investments or other activities are in conflict with the interest of the company, the doubt must be brought up before the Board for requisite scrutiny and reasoned determination.

- Directors and Sr. Management do avoid conducting any business and other activities with their relatives or firm or company in which their respective relatives, related party are associated in any significant manner, unless a full disclosure is made to the Board of Directors and the transaction is reviewed by the Audit Committee in advance as to its real nature and its effect on the general interest of the company.

To eliminate emergence of any real or potential conflict of interests, the company discourages as a matter of policy employment of relatives in position or assignments within the same department and prohibits employment of such individual in position that have a financial dependence or influence.

COMPETITION:

The Company conducts business solely on the basis of merit and open competition. We hire suppliers, agents or other intermediaries only by fair assessment. It does not engage itself into any activities by collusion, agreement or otherwise which have potential to inhibit fair competition.

CORRUPTION:

We deal with our customers, suppliers, government agencies and all other interest groups in a straightforward way and in strict compliance of the governing laws to discourage probability of any corruption.

GIFTS AND LIKE BENEFITS:

Directors and Sr. Management personnel should not solicit gifts, benefits whether tangible or intangible from customers, supplies and other interested groups which directly or

indirectly influence or have the potential of generating any influence the employees conduct for and on behalf of the company. However, transactions of gifts and entertainment, which do not exceed local customs & courtesies and are not in disregard to ethical business practices and applicable laws are not prohibited.

LEGAL PROCEEDINGS:

All of us must avoid transactions involving any unlawful practice, including deployment of personnel or use of assets of the company for illegal or concealed and gains.

CONFIDENTIALITY OF CORPORATE INFORMATION:

Confidential information is one of the assets of the Company which in our case comprise of trade secrets, trade related information, privileged information, customer information, market strategy, administration, commercial, legal and other technical information that are either with or provided by Directors and /or Sr. Management or they are apprised of or have access to by virtue of their official positions with the company. No such information must be provided to any body or disclosed to public or media unless such disclosure is duly authorized.

INSIDER TRADING:

No director, Sr. Management Personnel of the Company shall derive any direct or indirect gains or abet such gains and benefits through access to company information not in the domain of the public. These persons must comply with the insider trading guidelines issued by SEBI as well as the Code of conduct for prevention of insider trading in the equity shares of the company. The insider information comprise, inter - alia, of the following:

(a) Periodic financial performance results
(b) Intended declaration of dividend, bonus issue
(c) Further issue of shares, feedback of shares, expansion and execution of new projects.
(d) Amalgamation, merger, takeover or reconstitution
(e) Disposal of part of whole of the undertaking
(f) Significant change in the policies, plans , operations and programmes of the company
(g) Such other information as the compliance officer in consultation with the CEO/ Board of Directors may specify.

POLITICAL CONTRIBUITONS:

As a matter of policy, the company complies with all state laws, national, international and like legislation rules and regulations dealing with political contribution. It does not support directly or indirectly any particular political party or candidate for political office.

DEALINGS WITH BUSINESS COMMUNITY:

We are committed to support the business community to which we belong and recognize the need to contribute to the toning up of its well being with our professional skill so long it does not result into a dent into our competitive strength.

WAIVER:

Any request for waiver of any of the provisions contained in this Code of conduct on the part of any Member of the Board or Sr. Management Personnel must be in writing and approved the Board of Directors of the Company and disclosed promptly to all the concerned