

Code of Ethics & Conduct



**This policy applies to Choice Hotels' employees.
Staff at franchised hotels are employed by the hotel
owner/management and are not employees of
Choice Hotels.**





Letter from the CEO – Living Choice’s Values & Principles



At Choice Hotels, we believe that great things are possible when people come together with a shared set of values and principles and strive for excellence to attain a common goal. Our cultural values and performance principles shape who we are, how we behave, and how we define success.

Our success depends on our relationships with our stakeholders: franchisees, guests, shareholders, business partners, fellow associates, and the communities where we live and work. Key building blocks of these relationships are reputation, integrity and trust, which depend on the personal integrity of each Associate. Our Code of Ethics and Conduct provides the framework for ethical decision-making and helps to ensure that we always comply with the law. In short, it's how we do business.

The Code can't address every situation you may face, but it does provide guidance on many issues. If you are unsure of what to do in a particular circumstance or believe that the Code is being violated, you have an obligation to speak up and take action. When in doubt, ask your supervisor, anyone in the HR or the Legal Department, or our Chief Compliance Officer. You can also ask a question or report an incident anonymously through Choice's Compliance and Ethics Hotline at 855.313.3421 or online at www.choicehotels.ethicspoint.com. We ensure a retaliation-free environment for anyone who comes forward to ask questions or report violations.

By living the values and principles of Choice Hotels, we help ensure our continued success. Thank you for all you do to make Choice Hotels successful.

Sincerely,

Pat Pacious

President and Chief Executive Officer

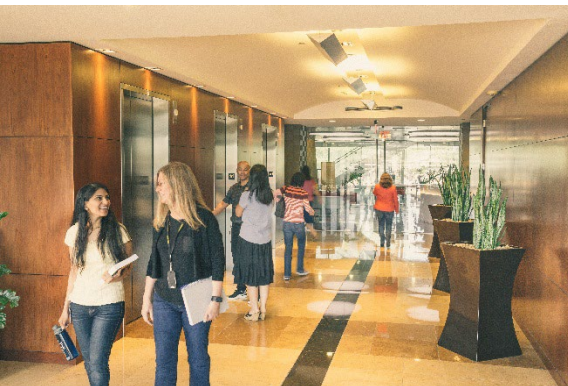
Important Notice — Disclaimer

And now, the lawyers...

This Code of Ethics & Conduct is part of Choice's Associate Handbook. The Handbook contains other policies that are referred to in the Code. It is your responsibility to read and comply with all policies in the Handbook.

Choice reserves the right to make changes from time to time to this Code as it deems necessary or appropriate. The Code is advisory in nature and does not create a contractual obligation between you and Choice. The use of mandatory language is not intended to convert this document into a contractually binding term of employment. It does not constitute a guarantee that your employment will be continued for a specified period of time, conform to any specified standards, or end only under certain conditions. Except for certain employees who have a written employment contract, employment at Choice is a voluntary, at-will relationship, and nothing in this document constitutes an express or implied contract of employment. You and Choice each have the right to terminate the employment relationship for any reason at any time.

This Code of Ethics and Conduct applies to Choice associates only. Hotel employees should ask hotel management for policies relevant to their position. **"...employment at Choice is a voluntary, at-will relationship, and nothing in this document constitutes an express or implied contract of employment."**



Contents

Letter from the CEO – Living Choice’s Values & Principles	ii
Important Notice – Disclaimer	iii
Introduction.....	1
The Code and how to use it	1
How to speak up	1
We do not tolerate retaliation	2
Failure to follow this Code.....	2
Waivers of the Code	2
Cooperating with investigations or inquiries.....	2
Summary – General Standards of Conduct	3
Standards for all Choice Associates	3
Managers have additional leadership responsibilities.....	3
Living Choice’s Values and Principles – Within Our Communities	4
We comply with laws and regulations	4
Boycotts	4
Anti-Money Laundering	5
We reject bribery and corruption.....	5
We do not engage in anti-competitive behavior	5
We participate in the political process with integrity	5
Living Choice’s Values and Principles – With Franchisees, Customers, and Business Partners	7
We negotiate and deal fairly	7
We avoid being compromised by gifts, entertainment, and other items of value	8
We do not engage in unauthorized communications with franchisees or business partners	8
Living Choice’s Values and Principles – With Each Other	9
We treat each other fairly, with respect, and free from discrimination or harassment.....	9
We maintain a safe and professional workplace	10
Living Choice’s Values and Principles – With Our Shareholders	10
We avoid conflicts of interest.....	10
Special rules for ownership of hotels	11
We do not take personal advantage of business opportunities	12
We use Choice assets wisely	12
We protect Choice information	12
We do not engage in insider trading.....	12
We maintain accurate business records and sound internal controls.....	12
Special obligations of the CEO and certain Financial Officers	13
Miscellaneous.....	14
Need further guidance?	14
Contact Information.....	14
Certification Form.....	14

Introduction

Who is covered by the Code?

Choice's Code provides ethical guidelines and expectations for all Choice associates, officers, and the Board of Directors ("Associates").

Consultants and temporary employees from agencies are expected to adhere to the spirit of the Code when performing work for Choice.

The Code and how to use it

We strive to be responsible members of the communities we operate in while providing support to franchisees to help them maximize return on their investments, delivering high-quality services that meet the needs of our guests, providing a good working environment for our associates, and delivering a good return to our shareholders. This Code of Ethics and Conduct ("Code") has been established by our Board of Directors to help achieve these goals by fostering a culture of ethical conduct and compliance.

The Code provides a quick reference guide; however, it does not replace other policies in the *Associate Handbook*. It is important that you familiarize yourself with all of the policies and procedures applicable to your role.

Copies of this Code are available on ChoiceCentral.com under Department—Human Resources—Associate Handbook. If you have any questions about the Code, you should contact the Chief Compliance Officer or someone in the Legal Department.

How to speak up

You must speak up when you see any actual or planned behavior that may break any laws, regulations, this Code, or other Choice policies. There are three ways of speaking up:

1. Talk to your supervisor.
2. Talk to the Chief Compliance Officer or members of the Legal or HR Departments.
3. If you wish to remain anonymous, use Choice's Compliance Hotline:

You do not have to be 100% sure before you speak up. If you have a genuine, good faith suspicion, you should speak up and explain your concerns. All concerns will be appropriately investigated.

COMPLIANCE HOTLINE:

Online:
choicehotels.ethicspoint.com
Phone: 855.313.3421

RED FLAGS

- "Let's keep this issue between us."
- A change in the usual process or procedure.
- A lack of transparency.



We do not tolerate retaliation

Choice has a strict policy prohibiting retaliation against any Associate who comes forward with a good faith report of alleged wrongdoing or who participates in an investigation. Any claims of retaliation will be investigated thoroughly and, if these claims are substantiated, retaliators will be disciplined – up to and including termination. If you believe you have been retaliated against, you should report such action using any of the methods described above.

Failure to follow this Code

Failure to follow this Code will be treated very seriously by Choice and may lead to disciplinary action, up to and including termination.

In any disciplinary situation, Choice may:

1. Involve external authorities when laws or regulations have been breached.
2. Involve law enforcement if a criminal offense may have been committed.
3. Involve outside counsel to conduct an investigation.

Waivers of the Code

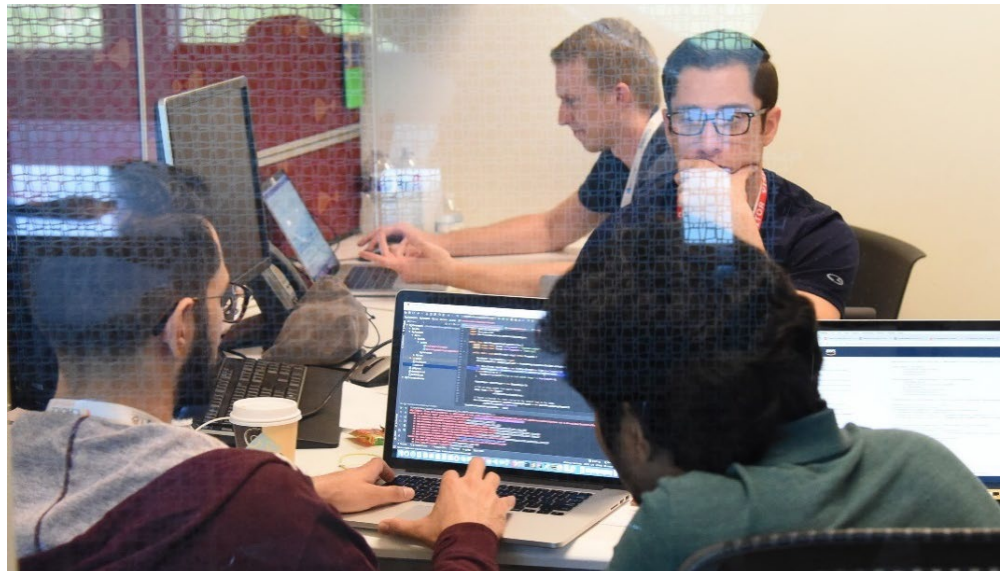
Any waiver of this Code for Associates (other than Executive Officers and Directors) may be made only by the Chief Compliance Officer, who will report quarterly to the Audit Committee of the Board about such waivers.

Any waiver of this Code for Executive Officers or Directors may be made only by our Board of Directors or our Audit Committee and will be promptly disclosed as required by law or the New York Stock Exchange listing standards.

Cooperating with investigations or inquiries

Choice's Chief Compliance Officer and other members of the Legal and HR Departments are responsible for administering this Code. This includes investigating reports of suspected and actual violations of this Code, laws, other

All Associates are required to cooperate fully and truthfully with any internal or external investigation or inquiry. Never mislead an investigator and never alter or destroy documents or records in response to an investigation.





Summary – General Standards of Conduct

Standards for all Choice Associates

As a Choice Associate, you are accountable to:

- ✓ Comply with laws, regulations, and Choice policies.
- ✓ Reject bribery and corruption.
- ✓ Avoid being compromised by gifts and entertainment.
- ✓ Negotiate, deal, and compete fairly.
- ✓ Not engage in unauthorized political matters on company time or by using company resources.
- ✓ Combat breaches of privacy or data security.
- ✓ Refrain from acting in an obscene, threatening, abusive, discriminatory, or harassing manner.
- ✓ Safeguard Choice property and information.
- ✓ Avoid conflicts of interest.
- ✓ Refrain from trading in Choice stock when in possession of material, non-public information, or in stock of another entity if you learned about material, non-public information about such entity in the course of your employment.
- ✓ Maintain clear and accurate records.
- ✓ Report actual or suspected violations of laws, rules, or policies through your management chain or as provided in this Code.
- ✓ Report actual or suspected accounting, auditing, or financial reporting irregularities directly to the Chief Compliance Officer or through the Choice Compliance Hotline.
- ✓ Cooperate with any investigation of wrongdoing.

Managers have additional leadership responsibilities

If you are in a management position, you also have the following responsibilities:

- ✓ Lead by example.
- ✓ Help create a work environment that focuses on building relationships, recognizing effort, and valuing mutual respect and open communication.
- ✓ Be a resource for others. Communicate to Associates how Choice policies apply to their daily work and what is required of them.
- ✓ Be proactive. Look for opportunities to discuss and properly address ethics questions and challenging situations with others.
- ✓ Be aware of the limits of your authority and do not take any action that exceeds those limits.



- ✓ Delegate authority only where permissible and never delegate authority to any individual who you believe may engage in unlawful or unethical conduct.
- ✓ Report known violations of laws, regulations, or Choice policies.
- ✓ Ensure Associates who report violations in good faith are not retaliated against.

Living Choice's Values and Principles – Within Our Communities

We comply with laws and regulations

Position Statement

Each of us is individually responsible for complying with the spirit – not just the letter – of laws and regulations, as well as Choice policies on compliance.

Why is this important?

It is everyone's responsibility to ensure compliance with all laws, regulations and Choice policies wherever we operate. Failure to do so may lead to severe damage to our brands and reputation, as well as fines and other penalties.

What must you do?

1. You must act ethically and honestly at all times.
2. You must comply with the spirit as well as the letter of all relevant legal and regulatory requirements. This means that you must follow the underlying principles of the laws and regulations as well as their exact wording.
3. You must comply with Choice policies, unless local laws or regulations are either stricter than or override Choice policies.

If you know or suspect that any law, regulation, or Choice policy is being broken or ignored you must report the matter immediately. You can make the report to your manager, the Chief Compliance Officer or the Legal Department. If you wish to remain anonymous in reporting a potential breach, you may use the confidential Choice Compliance Hotline. If you don't notify one of these parties or the Hotline when you know of or suspect a violation, you may jeopardize yourself, your employment, and Choice.

If you are unsure about whether something you want to do is appropriate, you should ask the Chief Compliance Officer or the Legal Department. They are there to help you interpret the law, regulation, or Choice policy **before** you act.

Boycotts

As a U.S. company, Choice's business operations worldwide must comply with U.S. anti-boycott rules. These rules may prohibit us from, or impose tax penalties for, participating in or cooperating with foreign boycotts of countries that are not approved by the U.S. government (such as the Arab League boycott of Israel). Choice must also report any boycott-related requests from other parties (e.g. questions about whether Choice does business with Israeli companies).

Q: My department has breached a local law, but my boss is concerned about the reaction of the regulator and Choice management and wants to ignore the breach. What should I do?

A: You must report the matter immediately to the Chief Compliance Officer or the Legal Department. If this is not possible, then follow the "How to speak up" process (see page 1).

Anti-Money Laundering

We are prohibited from engaging in or facilitating transactions anywhere in the world that involve funds that were derived from illegal activity. We must comply with all applicable anti-money laundering laws, rules, and regulations of the U.S. and other countries where we do business. To comply, we must carefully scrutinize all payments and transactions with customers, vendors, business partners, agents and affiliates. We will not accept any funds or make any payments that appear to be derived from illegal activities.

We reject bribery and corruption

Position Statement

Bribery and corruption damage our business and conflict with our values. We do not give or accept bribes, nor do we engage in any form of corruption, whether with a government official or a business partner.

For more details, see [Choice's Anti-Corruption Policy & Procedures](#).

We do not engage in anti-competitive behavior

Position Statement

We are committed to fair competition and to not sharing information or entering into formal or informal agreements or understandings (oral or written, implied, or inferred) with competitors or potential competitors on issues relating to customers, price, inventory, terms of sale, allocation of territories, or any other key factor affecting market competition.

Why is this important?

Federal and state antitrust laws in the United States, as well as competition laws in other countries where we do business, protect consumers by guaranteeing fair and open competition in business. Failure to comply with the competition laws may subject Choice to large penalties and fines.

What must you do?

1. Avoid engaging in discussions and entering into agreements or understandings (whether by telephone, correspondence, at meetings or otherwise) with competitors or potential competitors concerning rates, occupancy levels, prices or allocations of territories, customers or sales, other than in strict compliance with approvals from the Legal Department.
2. Similarly, avoid discussions, agreements or understandings with competitors or potential competitors concerning employee wages, benefits, and other terms of employment.
3. If you belong to a Choice division that has legitimate access to competition-sensitive information of competitors, you should generally avoid sharing any such information with anyone outside your division.

Q: My spouse works for a competitor and we sometimes talk about our companies' plans. Is this okay?

A: Probably not. Discussing publicly available information is permissible, but you should not discuss any information about either company that might be confidential. By sharing information with your spouse, you might be violating antitrust or competition laws.

Additionally, in sharing the information with your spouse, you might also violate your obligation to safeguard Choice's confidential and proprietary information (see page 11).

Furthermore, you should also disclose your spouse's employment with a competitor as a **potential** conflict of interest (see page 10).



We participate in the political process with integrity

Position Statement

When permitted, Choice may engage in political activity such as supporting a state candidate or lobbying on legislation. Unless you are authorized to participate in a Choice-sponsored political activity, you must participate in any political matters on an individual basis, on your own time, and at your own expense. Any political activity that could cause someone to believe that such actions reflect Choice's views or position requires prior approval of the Chief Compliance Officer.

Why is this important?

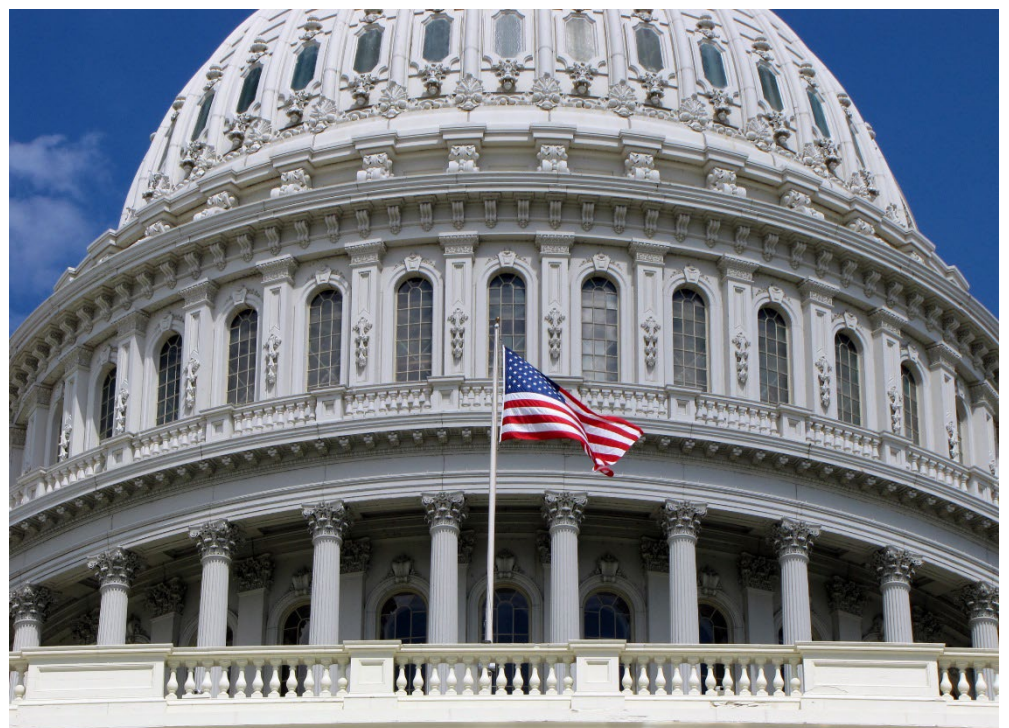
Under U.S. federal laws, corporations are prohibited from making political contributions to federal election campaigns. Some states have similar laws. Violations of these laws may result in fines and other penalties.

Political contributions to foreign election campaigns raise red flags under bribery and anti-corruption laws of the U.S. and several other countries, and may subject Choice to investigations by the regulators or law enforcement.

What must you do?

Choice encourages you to participate in the political process as an individual and on your own time. However, unless authorized by the CEO or Chief Compliance Officer, you are prohibited from using the funds, assets, services or facilities of Choice – directly or indirectly – for the purpose of aiding, supporting or opposing any political party, association, organization or candidate when such use is illegal or improper under the laws or regulations of the relevant jurisdiction.

Please contact the Chief Compliance Officer if you have any questions about this policy.





Q: Choice recently hired a former employee of a competitor. What kind of information about her former employer can be shared with her current colleagues?

A: No confidential proprietary information belonging to her former employer may be divulged to anyone at Choice.

Q: You met with a potential franchisee to sign a franchise agreement that the parties have negotiated at length. During the meeting it became clear to you that the potential franchisee has an incorrect understanding about a key term in the agreement. What should you do?

A: You should clarify the term with the potential franchisee. To generate, maintain, and expand long-term relationships with our franchisees, it is not enough to communicate honestly. We must also always keep the franchisees' best interest in mind. We must also always keep the franchisees' best interest in mind.

Living Choice's Values and Principles – With Franchisees, Customers, and Business Partners

We negotiate and deal fairly

Position Statement

We will not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practices. We will not engage in fraud; misrepresentation; or deception to obtain information about competitors, franchisees, business partners, or consumers.

Why is this important?

Treating our franchisees, customers, and business partners fairly is fundamental to living our values and our brand promises. It will build our long-term relationships with these stakeholders and help grow Choice's business by enhancing our reputation. It is also an issue of increasing importance to lawmakers and regulators in the countries in which we operate.

What must you do?

1. When communicating with franchisees, customers, and business partners – whether in marketing, advertising, sales, or service activities – always provide relevant, complete, and clear information and go through proper Legal Department review of relevant materials.
2. If you realize you have inadvertently provided misleading information, you must take prompt steps to correct the error.
3. Do not make remarks that unfairly disparage competitors.
4. Obtain business intelligence only through legal and ethical means.



No gifts or business courtesies can be provided to a government official without prior approval of the Chief Compliance Officer.

Q: I am a senior manager and wish to invite a senior representative of an important customer to a sports event. May I?

A: Yes, a business courtesy for a typical sports event is consistent with marketplace practices. However, a special event like the Super Bowl would likely be considered lavish and extravagant — particularly if airfare and/or accommodations are included.

Q: You assisted a business partner with a project, and they would like to send you something to show their appreciation for your efforts. You advise them that you can't accept anything expensive, but they send you a \$50 gift card. Can you accept it?

A: No. While the gift is under the \$200 limit, a gift card is a cash equivalent and therefore cannot be accepted, no matter what the value is. You must return the gift card or, if you do not feel comfortable doing so, turn it over the Chief Compliance Officer.

We avoid being compromised by gifts, entertainment, and other items of value

Position Statement

We do not offer, give or accept inappropriate gifts or business courtesies (e.g., meals, refreshments, entertainment) to or from third parties.

Why is this important?

Gifts, business courtesies or other benefits are a part of commercial life in many countries. They are also often part of traditional festive occasions. However, problems arise when they compromise – or appear to compromise – normal commercial relationships between Choice or its Associates and customers, vendors and other stakeholders. In these situations, gifts or business courtesies can be a conflict of interest (see page 10) and might be viewed as commercial bribery.

What must you do?

If you believe that refusal of a gift or business courtesy is not possible, you should promptly inform your manager AND the Chief Compliance Officer, ideally before it is accepted. The gift or entertainment will then be dealt with in accordance with local and Choice standards.

Gifts: Only offer or accept gifts that are:

- Less than \$200 in value*
- Not cash or cash equivalents (i.e., gift cards)
- Any gift card receipt or distribution needs manager and Chief Compliance Officer approval.
- Unsolicited & Infrequent
- Not for the purpose of obtaining or retaining business
- Customary in the circumstances in which the gift is given or received.

**You may give or receive gifts of a higher value only if pre-approved by your supervisor and the Chief Compliance Officer.*

Business courtesies: Only offer or accept business courtesies that are:

- Not lavish or extravagant; consistent with marketplace practices
- Attended by both the offeror and the recipient
- Unsolicited
- Infrequent

If a franchisee, vendor, or business partner offers to pay your expenses to an event, ask yourself:

- Could I afford to buy it for myself?
- Will Choice or I be influenced by accepting it?
- Will others believe that accepting it has influenced me?
- Will Choice or I be embarrassed by public disclosure of the gift?



We do not engage in unauthorized communications with franchisees or business partners

Position Statement

Choice's [Contract Review Policy](#) requires certain contracts to be reviewed by the Legal Department. Side letters; e-mails; or verbal statements to franchisees, potential franchisees, business partners, or other third parties that could be construed as a commitment or that comment upon a contractual term must be reviewed by the Legal Department.

Why is this important?

Such written or verbal statements can legally bind the company.

What must you do?

1. Do not make verbal or written statements that comment upon Choice's practices with respect to contractual terms (e.g., enforcement of liquidated damages, deals for damages) unless approved to do so by the Legal Department.
2. Do not make verbal or written statements to franchisees or potential franchisees that are inconsistent with our Franchise Disclosure Document, including earnings claims.
3. Franchise sales associates must not have discussions with a defaulted or terminated franchisee unless cleared to do so by the Legal or the Credit Department. If you are negotiating with such a franchisee on a new deal, there must be no discussion of liquidated damages on the defaulted/terminated deal unless approved by the Credit Department.

Living Choice's Values and Principles – With Each Other

We treat each other fairly, with respect, and free from discrimination or harassment

Position Statement

We value diversity and inclusion and are committed to fostering an environment of fair and respectful treatment, free from discrimination and harassment.

Why is this important?

To maintain our culture of diversity and inclusion, we are committed to a discrimination-free workplace. This means making employment decisions based on merit and without regard to race, color, religion, gender, gender identity, gender expression, national origin, age, marital status, sexual orientation, physical or mental disability, veteran status, or any other protected characteristic. For more information, see [Choice's Equal Employment Opportunity Policy](#).

We all have the right to work in an environment free from harassment, which is a form of discrimination. Harassment consists of unwelcome behavior that has the purpose or effect of creating a hostile or offensive work environment. Harassment can come in many forms, including physical actions, verbal or written remarks, or visual depictions. For more information, see [Choice's Anti-Harassment Policy](#).



What must you do?

1. Treat your colleagues with fairness and respect.
2. Speak up against any form of discrimination, bullying, or harassment.
For details on how to speak up, please refer to the Introduction section—How to speak up (see page 1).
3. Demonstrate professionalism in your interactions with coworkers.

We maintain a safe and professional workplace

Position Statement

All Associates are entitled to a working environment that is free of drugs and alcohol, safe, and aggression free. This includes home-based and on-call associates.

Why is this important?

An essential element of treating each other with respect is contributing to a safe and professional working environment. Choice will appropriately investigate any acts and reports of substance abuse, or any acts of aggression.

What must you do?

Review and abide by [Choice's Drug & Alcohol Policy](#) and [Workplace Safety Policy](#).



Living Choice's Values and Principles – With Our Shareholders

We avoid conflicts of interest

Position Statement

We conduct our business free from the influence of conflicts of interest.

What are conflicts of interest?

Conflicts of interest can take many forms and arise wherever there are actual or potential competing interests, and whenever you may have the opportunity to put your own personal interests ahead of those of Choice. A conflict of interest may exist even if there is only the appearance that your private interest interferes with the interests of Choice.

If something would constitute a conflict of interest if it involves you, it would likely also be a conflict if it involves a family member, close friend, or business associate.

What must you do?

Disclosure is the key to remaining compliant with this policy. It is your duty to identify all potential conflicts of interest properly, and, when a conflict is identified, report it immediately to your supervisor and the Chief Compliance Officer.

1. Report to your supervisor and the Chief Compliance Officer any financial or commercial interest or any relationship you a family member, close friend, or business associate has with any of Choice's suppliers, franchisees, business partners, competitors, or major customers.
2. Unless approved by the Chief Compliance Officer—
 - a. You must avoid investments or associations that might impair your exercise of independent judgment on Choice's behalf.

Q: My brother-in-law is interested in becoming a Choice franchisee. Can I negotiate with him on behalf of Choice?

A: No. You have a conflict of interest and are not best placed to judge whether this is the best deal for Choice. You should therefore report your relationship to your supervisor and the Chief Compliance Officer and remove yourself from the decision-making process.

Q: Your supervisor is looking for a caterer for a department event. Your spouse has a catering company, so you suggest hiring your spouse. Can your spouse be hired?

A: No. While you have disclosed the relationship to your supervisor who is making the decision, you must also disclose it to the Chief Compliance Officer. In this case, the Chief Compliance Officer would not approve it due to the close relationship. If your spouse was hired and something went wrong, Choice could be in the position of suing your spouse or vice versa.

- b. You may not serve as an officer or director of any entity unaffiliated with Choice.
3. Never use your position with Choice to obtain any improper personal benefit for yourself, your family, or anyone else.
4. Never let your personal interests or relationships influence any transaction between Choice and another party, except when approved by Chief Compliance Officer after appropriate disclosure.
5. You may not have an outside job, business, financial interest or activity that—because of its size, significance or nature—adversely affects your job performance, or conflicts or appears to conflict with Choice's interests. Associates must obtain prior approval from their manager and the Chief Compliance Officer before accepting any outside employment or engaging in any other activity that is encompassed by the provision.
6. Avoid investing in any company that competes with Choice, or in any company that does or seeks to do business with Choice – except you may invest in competitors and entities that supply or purchase goods or services to or from Choice so long as either (i) the entity is listed on a national securities exchange or regularly traded by national securities dealers and you purchase only 1% or less of the market value of the entity's outstanding securities, or (ii) if the entity is not publicly traded, you only purchase 1% or less of the entity's total ownership or voting interest and, if the entity does business with Choice, the annual revenues to either Choice or the entity account for less than 5% of such entity's total annual revenues.

Related Party Transactions

Transactions between Choice and certain related parties raise conflict of interest concerns. If you are aware of such a transaction or proposed transaction, you must report it to the Chief Compliance Officer.

Related parties are:

- A. Directors and executive officers, and their family members
- B. A person or entity that owns more than 5% of Choice's stock
- C. Choice affiliates (entities controlled by or under common control with Choice)
- D. Entities in which Choice has an investment (e.g., a joint venture) and can significantly influence that entity's management or operating policies
- E. A party who does business with Choice and who controls or can significantly influence the management or operating policies of Choice, and vice versa.

- F. A third party who is not a party to a transaction with Choice, but can significantly influence the management or operating policies of Choice or the transacting party dealing with Choice or that has an ownership interest in Choice or the transacting party and can exert significant influence on one of the parties such that they might be conflicted in pursuing their own interests

If you have any questions about who may be a related party, please contact the Chief Compliance Officer or the Legal Department.

Example: Choice is negotiating a joint venture with XYZ Corp. to build and operate a Cambria hotel & suites. Thurston Howell owns 80% of XYZ. Once the joint venture

agreement is signed, XYZ is a related party under C. above and Mr. Howell is a related party under F. Any further transactions with XYZ, Mr. Howell, or another company Mr. Howell controls would need to be reported as related party transactions.



Special rules for ownership of hotels

Unless approved by the Corporate Governance and Nominating Committee of the Board of Directors, it is a conflict of interest for you to directly or indirectly (i) participate in the ownership, operation or management of a hotel property that is branded with a Choice competitor, or (ii) have an ownership interest in a company or partnership that owns, operates or manages a Choice competitor's hotel. The foregoing shall not apply to any investment permitted under "We avoid conflicts of interests—What must you do?—Item 6.

Ownership of a Choice brand property is permitted subject to the following conditions:

- You must disclose the ownership to the Chief Compliance Officer at the time of the application or, if you enter into the deal at a later date, as soon as you know that you might be participating in the ownership.
- It must be a standard deal—standard fees and contract terms. However, incentives generally available to similarly situated third parties (e.g. minority incentive) may be provided at the discretion of the Chief Development Officer.
- Only one Choice associate may be involved per hotel ownership investment opportunity. The first associate to disclose a potential investment to the Chief Compliance Officer will have priority for that project.
- Your ownership interest (including any interests held by your spouse and children) must be less than 50%.
- You can't be involved in hotel operations or day-to-day management.
- For Area Directors, Revenue Managers, and other associates who provide services to a designated portfolio of hotels, the owed hotel cannot be in the associate's portfolio/territory.
- No commission shall be payable to a Franchise Sales Director if he/she has an ownership interest in the property.

Any Associate who has an ownership interest in a Choice-franchised hotel that was acquired prior to August 13, 2007 is grandfathered under this policy.

We do not take personal advantage of business opportunities

Position Statement

It is a form of conflict of interest to take personal advantage of business opportunities in which Choice has an interest.

What is a business opportunity?

It is an opportunity that Choice is financially able to undertake and in which Choice has an actual or expectant interest.

What must you do?

1. Do not take for yourself or personally benefit from business opportunities that are learned through your position or through the use of Choice's property or information.
2. Do not compete with Choice.
3. Do not use your position or Choice's property or information for your own personal gain.

We use Choice assets wisely

Proper use of Choice property, electronic communications systems, information resources, material facilities and equipment is your responsibility. Use and maintain these assets with the utmost care and respect – guarding against theft, waste and abuse – and never borrow or remove them from Choice property without management's permission. While these assets are intended to be used for Choice business, occasional personal use by employees may be permitted if it does not adversely affect the interests of Choice and if permission is given. Personal use of Choice assets must always be in accordance with other Choice policies—consult your supervisor for guidance and permission. (See also [Communications System and Acceptable Use Policy](#).)

We protect Choice information

Our proprietary information is a valuable asset that we must safeguard. Such information includes personal information of our franchisees, customers, and Associates, our strategic and operating plans, training materials, operating manuals, data processing systems, programs, procedures, databases, sales and marketing information, marketing strategies, and any other non-public information that would be harmful to Choice or useful to competitors if disclosed. You are expected to safeguard all such information in accordance with [Choice's Information Sensitivity Policy](#).

We do not engage in insider trading

Position Statement

We do not trade on or inappropriately disclose or receive inside information.

For more information, see [Choice's Insider Trading Policy](#).

Q: I am an Associate in the Marketing Department. Am I responsible to follow the guidelines about maintaining records?

A: Yes, you are. The accuracy of our financial reports is the responsibility of each of us, not just the Associates who prepare them, because we all might at some point contribute to the creation of the information maintained by Choice or submitted to the regulators.

Q: I am an Associate in the Payroll & Expense Department. An Associate has submitted an expense report with the approval of his manager. An item on the report is described as "corporate gift," with no further information on the gift or an explanation as to its business purpose. What should I do?

A: You should inquire with the Associate and/or his manager. Each of you has a duty to ensure expenses are accurate, properly documented, and have a bona fide business purpose. The failure of the Associate and his manager to fulfil this duty does not discharge you of your duty.

We maintain accurate business records and sound internal controls

Position Statement

We maintain fair, accurate, timely, and complete books, records, and reports.

Why is this important?

Numerous laws and regulations require Choice to make and keep accurate books of account and records, and to describe fully the nature of transactions discussed in them. Failure to comply with these laws and regulations may subject Choice to fines and/or other penalties. In addition, inaccuracy in our financial information and other public communications will likely undermine the confidence of our shareholders, franchisees and customers, and harm our reputation.

What must you do?

1. Make sure financial entries are clear and do not hide or disguise the true nature of a transaction.
2. Do not maintain undisclosed or unrecorded funds, assets, or liabilities.
3. Never omit, falsify, or misrepresent information in any company record.
4. Never misstate, exaggerate, or fabricate information that pertains to Choice's business and operations.
5. Accurately document the purpose of transactions, the provider and recipient of funds, the accounts to and from which funds are transferred, and the entities and departments responsible for particular transactions.
6. Use common sense and be professional when choosing the content and language that comprise business records and other documents.
7. Never withhold or fail to communicate information that should be brought to the attention of higher-level management.
8. Do not discard, destroy, or improperly alter records that are required to be preserved by law, regulations, or instructions of the Legal Department. Comply with Choice's [Records Retention Policy](#).

Special obligations of the CEO and certain Financial Officers

The CEO, the Chief Financial Officer, and the Controller have an obligation to ensure that all publicly filed reports and other public communications related to Choice's financial condition or results of operations contain full, fair, accurate, timely, and understandable disclosures of all material facts.



Making false or misleading statements or providing false or misleading records to anyone, including auditors, legal counsel, other Associates, or regulators can be a criminal act that can result in severe penalties.

Miscellaneous

Need further guidance?

The Code provides a quick reference guide but it does not replace the relevant Policies and Procedures.

The relevant Policies and Procedures referenced in this Code can be accessed via [ChoiceCentral.com](https://www.choicehotels.com/choicecentral).

If you have any questions about the Code, please contact the Chief Compliance Officer, the General Counsel, or an HR representative listed here.

Contact Information

General Counsel:

Simone Wu

Tel. 301.592.5188

simone.wu@choicehotels.com

Chief Compliance Officer:

Stuart Kreindler

Tel: 301.592.6195

stuart.kreindler@choicehotels.com

Certification Form

I have read and understood this Code of Ethics and Conduct, and understand that I am responsible to abide fully with all of the obligations contained herein.

Print Name: _____ Signature: _____

Title: _____ Location: _____

Date: _____

