

NH Hotel Group

Code of Conduct

nH | HOTEL GROUP

nH
HOTELS


nH COLLECTION
HOTELS

nhow

Hesperia
RESORTS

nH | HOTEL GROUP

300 m² LED vault screen
NH Collection Eurobuilding
Madrid, Spain



NH Collection Constanza
Barcelona, Spain

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LETTER FROM THE MANAGEMENT COMMITTEE OF NH HOTEL GROUP

NH Hotel Group and its professionals have shown their commitment to act with integrity, honesty, transparency, respect, trust and professionalism in their daily operations. These principles and values have also been requested to our clients, suppliers, shareholders and communities in which NH Hotel Group operates, contributing to our goal to become the leading sustainable Company in the tourism industry.

As an additional initiative of the new NH, a specific Compliance function was created in 2014. Its main tasks are to ensure the observance of internal and external regulations, as well as the existence of a control structure aligned not only with the existing regulation but also with best practices.

Last 29 June 2015 at the proposal of the Compliance Committee, the Board of Directors of NH Hotel Group approved an updated version of the Code of Conduct.

The reason for this update serves the purpose of NH Hotel Group to expand the scope of the principles and values that should guide the behavior of the Group, as well as to adapt the Code to recent changes in legislation.

We thank all Employees and in general all the Recipients of the Code of Conduct, for its commitment and collaboration during all these years and we encourage them to continue applying the principles and values set out in this document on the day to day operations, since they represent the framework of NH Hotel Group behaviour.

Management Committee

INTRODUCTION

The present Code of Conduct intends to set the values, principles and rules which should govern the conduct and actions of each of the Employees and Executives of NH Hotel Group (hereinafter the “ NH Group” or “NH”) as well as the members of the governing bodies that comprise NH Group.

This Code will also apply to the main stakeholders identified by the NH Group. Stakeholders interact in NH activity and therefore can have a more significant influence on the Company or be influenced by it, insofar as the values, principles and standards set in this Code may be applicable and the NH Group has the power to make them effective. Main stakeholders are: Clients, suppliers, competitors, shareholders and other groups of people, as well as communities, in which NH operates its establishments.

NH started a process of transformation in 2013 and the new NH vision, beliefs and attributes were defined.

Vision

One day, whenever anyone contemplates a trip to a city for an overnight stay or meeting, for business or pleasure, they will always ask themselves: “Is there an NH hotel at my destination?”.

The new NH culture

A new culture that expresses who we are, what we do and how we do it has been defined.

The result is the identification of the Company’s beliefs that will allow the fulfillment of the vision and become a worldwide reference in the sector.

These messages serve as inspiration and motivation for the employees in the achievement of the objectives of the Strategic Plan and guide the daily life of the new NH, fostering change and evolution from a management model to a leadership model.

1. We are obsessed with delivering memorable experiences
 2. We are proud to serve
 3. We strive to be the best, even if we are not the biggest
 4. We are all responsible for results
 5. We care for our people, our people care for our guests
 6. We are active in the communities where we live
 7. We are “Young minded”
 8. We enjoy what we do
- ... and we do all this with a SMILE!

NH continues to grow in a collaborative and responsible way with all its stakeholders and works with the aim of being the leading Company in the sector in terms of Corporate Social Responsibility.

NH Hotel Group joined the United Nations Global Compact in 2006, an ethical commitment aimed at ensuring that business around the world incorporate in their strategy and operations ten principles of conduct and action regarding human rights, labor, the environment and the fight against corruption (www.unglobalcompact.org) It served as the reference framework for the Corporate Responsibility strategy and management of NH Group.

Another industry-specific framework of reference for NH is the Global Code of Ethics for Tourism adopted by the Assembly of the United Nations World Tourism Organization (WTO) in 1999. This consists of ten principles designed to guide the main players in the development of tourism whose aim is to help maximize the industry’s profits while, at the same time, reducing its impact on the environment, cultural heritage and local communities. (www.unwto.org).

In September 2012, NH Group adhered to the ECPAT (End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes) for the Protection of Children from Sexual Exploitation in Tourism, also promoted by UNWTO and UNICEF (www.ecpat.net y www.thecode.org).

The aim of this code is to establish a set of rules which are partly based on the aforementioned beliefs, as well as on essential principles for the sector of activity of the NH Hotel Group, mostly sustained by a faithful and ethical conduct of each of the persons mentioned above.

In addition to the ethical commitments and institutional integrity assumed, NH Hotel Group shall be subject to the laws and regulations in force, and more specifically, to this Code of Conduct.

This Code of Conduct, along with all manuals, policies, procedures and systems that develop it or could be developed in a future, are part of the decision of NH Board of Directors to implement a prevention, organization and management model that include appropriate surveillance and control measures to prevent the commission of crimes in the exercise of social activities or to significantly reduce the risk of its commission.

NH Group will promote awareness of the Code among its members and subjects described as stakeholders so that their performance is governed by the principles this Code is based on.

PRINCIPLES OF THE GLOBAL COMPACT

- Principle 1**
Business should support and respect the protection of internationally proclaimed human rights.

Principle 2
Businesses should make sure they are not complicit in human rights abuses.

Principle 3
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4
Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 5
Businesses should uphold the abolition of the child labour.
- Principle 6**
Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Principle 7
Businesses should support a precautionary approach to environmental challenges.

Principle 8
Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9
Businesses should encourage the development and diffusion of environmentally friendly technologies.

Principle 10
Businesses should work against corruption in all its forms, including extortion and bribery.

SUBJECTIVE SCOPE OF APPLICATION

This Code of Conduct shall apply to the following persons, whether natural or legal, according to the following cases:

- I. Employees of the NH Group, regardless of the contractual modality which determines their labor relationship, the position they occupy or the geographic area in which they perform their work.
- II. Trainees.
- III. Executives of the NH Group, no matter the contractual modality which determines their labor or business relationship, the position they occupy or the geographic area in which they perform their work. The following shall be considered Executives in all cases: members of Senior Management (defined as those who report to the Board of Directors or to the Chief Executive Officer of the Company and in any case, the internal auditor), all managers and persons in charge of departments, and Hotel managers.
- IV. Members of the governing bodies of the companies and other entities that comprise the NH Group, regardless of the composition, structure and functioning.
- V. Clients, suppliers, shareholders and any other stakeholders that despite of not being expressly mentioned in the Code of Conduct, could be directly related to NH centers or operations, insofar this document may be applicable apply to them, and as long as the NH Group has the capacity to make it effective.

Unless a different reference is established in this Code of Conduct, the parties included in previous sections I) to III) shall be jointly called “Employees”. The parties referred to in the previous sections I) to IV) shall be jointly called the “Subjects Bound by the Code”. The group of natural and legal persons included in the subjective scope of application shall be called “Recipients” of the Code.



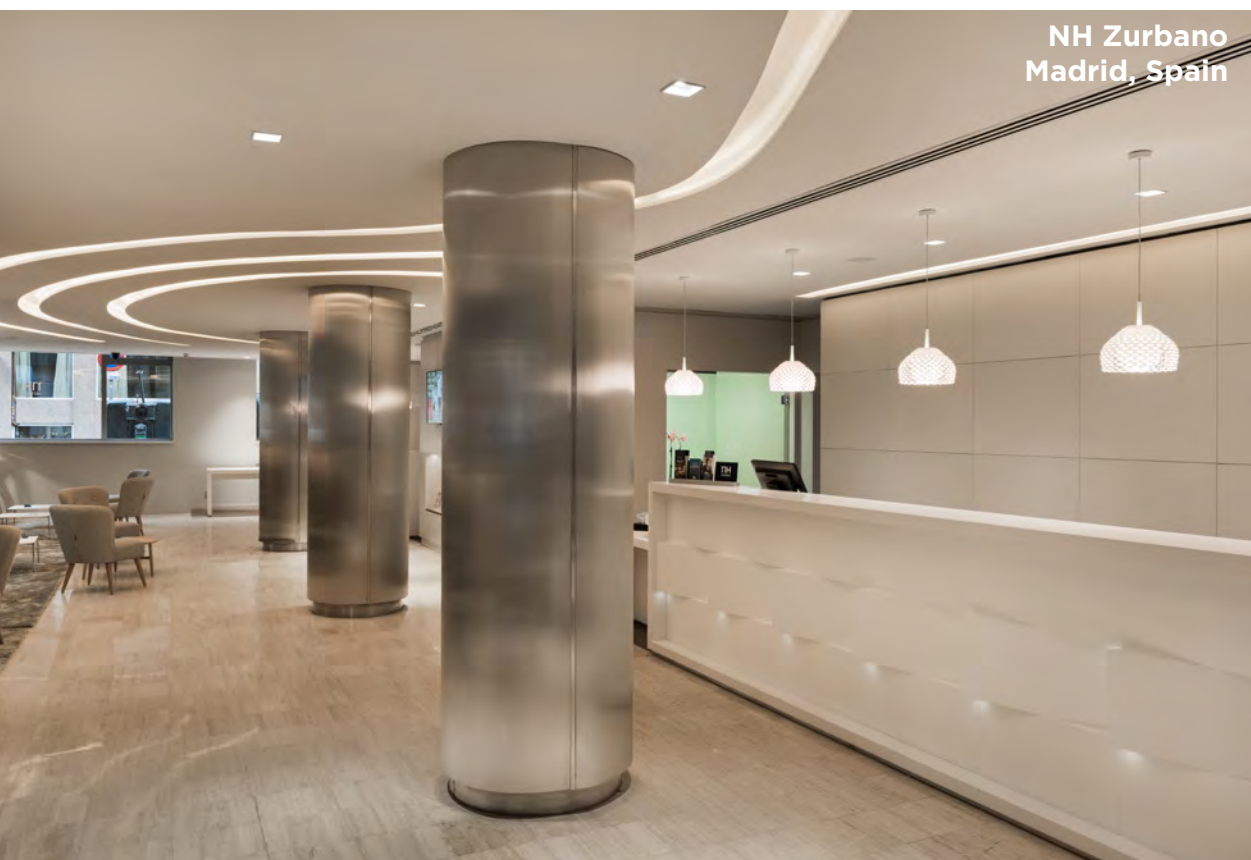
SCOPE, IMPLEMENTATION AND COMPLIANCE

ACCEPTANCE AND COMPLIANCE

All Subjects Bound by the Code must accept and implement this Code.

The NH Group shall adopt the necessary measures to make the group of values, principles and standards which comprise this Code effective, disseminating its content among the Recipients and resolving the doubts arising from its implementation. For this purpose it shall ensure, insofar as possible, that the Subjects Bound by the Code and the rest of the Recipients commit to compliance so that these values, principles and standards, along with the regulations applicable in each case, govern the performance of their activities within the NH Group, or their trade, business or institutional relationships with it.

No person, regardless of their position in the NH Group, is authorized to request from a Recipient of the Code of Conduct to disobey its provisions. No Subject Bound by the Code may justify conduct which breaches the Code or malpractice invoking a higher order or lack of knowledge of the content of the Code.



RESPONSIBILITY FOR COMPLIANCE WITH THE CODE OF CONDUCT

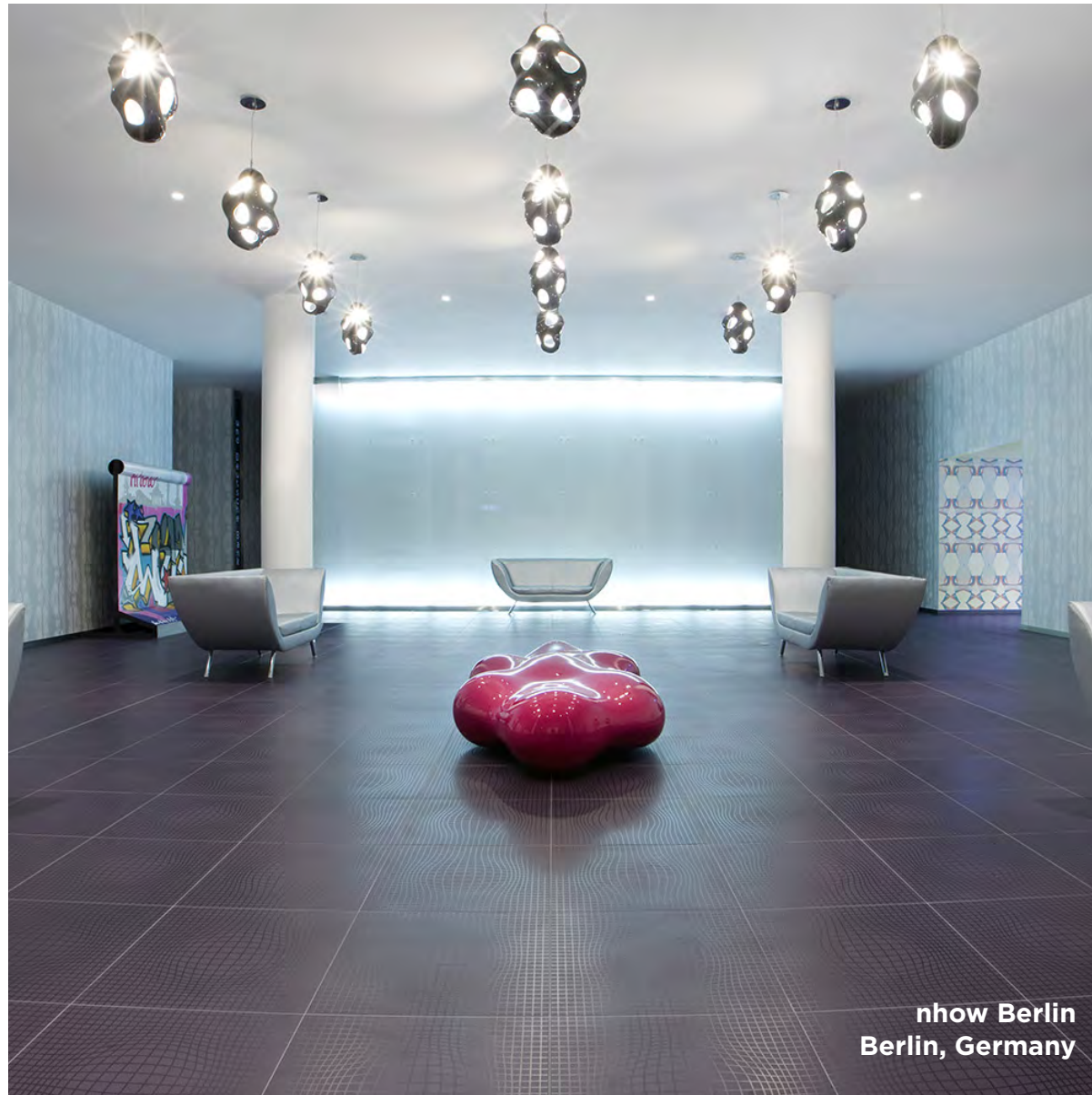
All Subjects Bound by the Code are subject to compliance with the following obligations:

1. To be familiar with the Code of Conduct and make decisions according to the principles and to the policies therein.
2. In addition, they must communicate, in a responsible manner, any indication of the existence of processes and actions that disobey the provisions of this Code of Conduct through the reporting line enabled for this purpose on the NH intranet.

Non-compliance by the Recipients with the Code and the standards arising from the development of duly communicated specific policies may lead to opening and starting the procedures provided for this purpose in the corresponding regulations, including, among others, dismissal and the termination of previously established contractual relationships.

All Executives have the following obligations:

1. To communicate the Code to their teams.
2. To lead to compliance through their example.
3. To support their teams in ethical and integrity dilemmas that can arise at any moment.
4. To correct detected deviations from compliance with the Code of Conduct.
5. To establish mechanisms that ensure compliance with the Code in their areas of responsibility, in due time and form.
6. To inform the Senior Vice President (SVP) of Internal Audit of the NH Group about the processes and actions that disobey the provisions of this Code.



ETHICAL AND RESPONSIBLE BEHAVIOR (RULES OF CONDUCT)

GENERAL PRINCIPLES

All Subjects Bound by the Code are also responsible for being familiar with and complying with the laws applicable to their duties, depending on their area of responsibility and workplace, and must fulfill their duties and obligations with full respect for the procedures set forth in the areas of their activity.

In case of doubt, the Subjects Bound by the Code may obtain assistance from their immediate superior on how to comply with the content of this Code and the rest of the standards which are applicable to them, in those cases in which it is possible; or, if necessary, from the NH Internal Audit, Legal or Human Resources Departments.

Non-compliance with the aforementioned regulations as well as the failure to comply with the provisions of the present Code of Conduct, may give rise to the corresponding civil and criminal liability without prejudice to the disciplinary actions that apply, including dismissal and the termination of existing contractual, commercial or institutional relationships.

In addition to compliance with this Code, the standards applicable in each case and the internal procedures of the NH Group, all Recipients must demonstrate ethical and honest behavior in all actions at all times and avoid any behavior that, even without violating the law, may damage the reputation of the NH Group and affect its interests, reputation and public image in a negative manner.

Respect for the Law

The Subjects Bound by the Code, as well as the NH Group suppliers must: (i) comply with the laws enforced in the place where they undertake their activities; (ii) be familiar with, observe and comply with the internal rules and procedures established and/or assumed by the Company; and (iii) accept and recognize the values and principles set out in this Code as their own, by means of their freely consented acceptance.

NH, and all its professionals, declare and undertake, always and in any situation, to not engage in conducts, behaviors or practices that may be considered irregular, illegal, criminal, unethical or dishonest in the development of their relationships with clients, suppliers, competitors, public authorities, etc., including those related to the fight against money laundering and financing of terrorism.

When undertaking their professional work, no Recipient may knowingly collaborate with third parties in the violation of any law, both national and international, or cooperate with them in actions or omissions which jeopardize the principle of legality or which may, being known, damage the reputation of the NH Group, its professionals, its stakeholders or third parties in general.

Honesty, transparency and trust

Recipients must be honest, transparent and trustworthy in all business relationships in which the interests of the NH Group are at stake, especially in their relationships with clients, suppliers, and with the rest of the employees and shall comply with the undertaken commitments.

Likewise, they shall protect the confidentiality of the information of the Company that has been entrusted to them, as well as information related to clients, shareholders, employees and suppliers with scrupulous respect and care as regards protection of the personal data to which they may have access.

Integrity

Institutional integrity is a key value of the corporate culture of the NH Group. Recipients must always behave with utmost integrity in their professional area, rejecting any type of practice which may go against it.

Under no circumstances may the Subjects Bound by the Code offer or receive gifts, invitations, privileges or any other type of incentive which may reward or influence a corporate decision.

The Subjects Bound by the Code shall avoid or declare any conflict of interest that may put personal priorities before group priorities, and shall behave with honesty and integrity, not seeking personal or third party benefits under any circumstance through the improper use of their position or contacts in the NH Group.

A conflict of interest is understood as a situation in which the personal interest of the Subject Bound by the Code (or that of the individuals associated with it) and the interest of the NH Group may be directly or indirectly at odds.

Likewise, the Subjects Bound by the Code shall act with absolute political neutrality and shall abstain from directly or indirectly taking positions, in favor of or against, legitimate political actors and processes when acting on behalf of NH. Specifically, they shall not make donations or contributions of any kind on behalf of NH or using the Group's resources to political parties, federations, coalitions, groups of voters, organizations, factions, movements or, in general, public or private entities whose activity is clearly associated with political activity. They shall also not directly or indirectly participate in any structure or organization whose purpose is to finance these.

COMMITMENT TO STAKEHOLDERS**COMMITMENT TO PEOPLE**

NH considers the Recipients as essential collaborators for meeting business goals and creating quality employment in an environment committed to training and professional development, and which encourages diversity in skills, cultures, beliefs and nationalities, all under the equality of conditions and rights.

Workers' and Human Rights

NH will respect and encourage human rights. The NH Group recognizes that human rights are fundamental and universal rights that must be interpreted and recognized in accordance with international practices and laws, specifically the Universal Declaration of Human Rights of the United Nations and the principles proclaimed by the International Labor Organization.

Relations between all Recipients must always be based on respect for dignity and non-discrimination of people.

The NH Group rejects any conduct, behavior or action that directly or indirectly encourages, promotes or provokes hatred, hostility, discrimination, or violence against a group for racist reasons or others reasons related to the ideology, religion or beliefs, family situation, the belonging of its members to an ethnic group, race or nation, their national origin, sex, sexual identity or orientation, gender, illness or disability.

NH actively prohibits undertaking any kind of hostile or humiliating act against individuals, the abuse of authority and any kind of harassment, whether physical or psychological, as well as any other conduct that may create an intimidating, offensive or hostile work environment for people. No kind of child labor or forced labor will be tolerated.

The NH Group recognizes that the principle of equal treatment and opportunities for the Recipients is an inspiring principle of the Human Resources policies and shall be applied when hiring Employees and in training, career opportunities, wage levels, as well as in other aspects of the labor relation of Employees.

In no way shall safety or working conditions be imposed on the employees that affect, suppress or restrict their rights recognized by legal provisions, collective agreements or individual contracts. No form of illegal labour trafficking or fraudulent immigration shall be allowed, and legislation on foreigners and their entrance and transit shall always be respected. The exercise of rights to demonstration, association, unionization and collective bargaining in the framework of regulatory standards for each and every one of these fundamental rights shall not be inappropriately limited.

Right to secrecy of communications and privacy

The NH Group undertakes to not disclose the personal information of its professionals, clients and third parties without the consent of the interested parties or in the cases of legal obligation or compliance with legal or administrative resolutions. Personal information shall never be handled for purposes other than those legally or contractually established.

Professional development

The NH Group shall promote personal and professional development of its Employees, encouraging their involvement in improving their own skills and competencies. The policies and actions related to recruitment, hiring, training and internally promoting employees must be based on clear criteria regarding skill, competence and professional merits. The internal promotion of employees shall be taken into account to fill positions as applicable in each case.

Employees shall be informed of the policies for evaluating their work and shall actively participate in the framework of the joint management processes to improve their work, initiative and dedication.

Compensation

The NH Group shall offer the Subjects Bound by the Code fair compensation appropriate for the labor market in which they perform their operations, complying with the legally established labor and social security obligations.

The NH Group commits to hiring personnel whose immigration status is regular and personnel whose age allows them to be hired.

Furthermore, the NH Group shall aim to balance working at NH with the personal and family life of the Subjects Bound by the Code.

Commitment to the safety and health of people

NH shall aim to ensure a safe and healthy work environment for the Subjects Bound by the Code, adopting as many measures as reasonable to maximize the prevention of labor risk prevention.

The NH Group undertakes to comply with and respect regulations on labor risk prevention and shall always provide the necessary means for employees to perform their activity with the proper safety and hygiene measures so the protection of their life, health and physical and psychological integrity always takes precedence.

All Employees shall be responsible for maintaining their workplace, following the health and safety rules and practices, established by the legislation in force, as well as those imposed by NH Group through their prevention services, either internal or external.

Drug and alcohol consumption

The consumption of alcoholic beverages and/or any substances prohibited by law by the Subjects Bound by the Code is prohibited during working hours, as well as coming to work under their influence.

Tobacco consumption

Tobacco consumption shall be regulated, complying with the regulations of each country and the procedure established by NH. In any case, in places where smoking is allowed, respect of and due consideration for present non-smokers or minors shall always take precedence.

COMMITMENT TO CLIENTS**Clients oriented**

The NH Group considers client satisfaction a priority. Consequently, efficiency in processes, transparency and integrity in actions and treatment ensuring quality service to the clients must be goals for all NH employees.

A culture of quality prevails at NH and this results in drawing up action plans and ongoing improvement aimed at increasing client satisfaction. The different product lines offered by the Group guarantee the coverage of client needs in the different sectors of the market.

NH has established client satisfaction as a main objective with a range of products; services and offers; clear, honest and timely information; transparency in operations; personalized advice when required by the client; professional treatment and the quick response to incidents.

All means shall be provided to ensure that the services offered by the NH Group do not entail health risks, taking the appropriate actions to resolve them, always in strict compliance with the current legislation.

Communications, publicity and promotional activities

The NH Group assumes the obligation to be honest with its clients, suppliers, stakeholders and third parties in general, always providing them with honest, clear, useful and accurate information when marketing their products and services. It will also check that its products and services meet all of the required and published specifications.

NH will aim for the offers, publicity of products or services, promotional activities and other information provided by Group professionals to be honest and create relations based on mutual trust.

If the clients are not satisfied with the provided services, all the necessary channels shall be placed at their disposal to file the necessary complaints.

Refusal to accept reservations

NH reserves the right to reject requests for reservations or cancel them if it has proof that, due to the characteristics of the client or the intended use of the reservation, it is morally justified to refuse the request for reservation based on widely recognized and accepted ethical values and human rights.

Appropriate use of NH Hotel Group resources

NH Employees undertake not to copy, reproduce or in any other way counterfeit credit or debit cards or traveler’s checks to which they have access when undertaking their activity, and to not possess or use them.

The alteration of money and the manufacturing, introduction in trade, exportation, transportation, issuance and distribution of counterfeit money is also prohibited.

In cases in which the Employees detect that money received in good faith from the clients is counterfeit, they must refrain from issuing it again and must inform, without delay, their boss or manager.

COMMITMENT ON THE PART OF SUPPLIERS

Procurement Policy

NH has implemented a strict and detailed procedure for the evaluation and selection of new suppliers based on social, ethical and environmental criteria. The objective is to know in detail the behavior and practices of the NH Group suppliers, selecting only those who offer the best trading conditions and share the principles and commitments of NH, described in this Code.

Special attention, diligence and care will be taken in the process of evaluating and selecting suppliers to avoid any kind of business relationship with natural or legal persons who might be involved in unethical or dishonest conduct or behavior, and especially in activities related to prostitution and corruption of minors, fraud, public and private corruption, money laundering and financing criminal or terrorist organizations.

The NH Group shall relate with suppliers of goods and services in an ethical and legal manner. The NH Group will select only suppliers whose employment practices respect human dignity and do not violate the law or endanger the reputation of the Company.

All suppliers shall operate strictly in compliance with current regulations. Suppliers are responsible for ensuring that subcontractors work under the standards promoted by this document and within the applicable legal framework.

NH shall positively evaluate suppliers that demonstrate their commitment to the principles promoted in this Code of Conduct through their acceptance and compliance. In addition, NH reserves the right to terminate its contractual relationship with those suppliers that commit breaches of the Code repeatedly or in a serious manner, and can claim compensation for damages (including moral damage, if any).

Inspiring principles

NH Group suppliers must maintain compliance with internationally recognized human rights and must not engage in abuse of these rights within their business operations.

Therefore, every supplier must treat each of their employees with dignity and respect. In no event shall physical or psychological punishment be allowed, nor harassment of any kind or abuse of power, always respecting the employees’ basic labor rights.

Every supplier must promote and respect the following principles:

- Eliminate all forms of child labor.
- Eradicate any form of forced or compulsory labor.
- Prevent any type of discrimination in the workplace.
- Respect the established maximum working hours and minimum wages and the rest of applicable law.
- Ensure that its employees perform their work in conditions of health and safety and respecting the risk prevention law.
- Respect the rights of employees to associate, unionize, organize or negotiate collectively without undergoing any kind of sanction.
- Obtain and maintain the environmental permits for the operation of their company if required. Also, in case the operation generates waste, it must be monitored, controlled and treated as indicated in the relevant legislation.

Suppliers must maintain a preventive approach to environmental protection, adopt methods that benefit greater environmental responsibility and encourage the development and diffusion of technologies that respect the environment.

Every supplier must avoid being a participant in any kind of corruption, extortion or bribery that could potentially affect the principles of fair trade or result in public scandals in which the NH Group may be affected.

NH extends the content and the obligation of compliance with the provisions of this Code of Conduct to its suppliers by incorporating the Code into the contracts they enter into.

COMMITMENT TO COMPETITORS

NH Group and its professionals are committed to compete in the market fairly and transparently, without making any kind of misleading or degrading advertising of its competition or third parties.

Likewise, NH Group undertakes to respect the regulations on consumers, users and preservation of fair competition.

COMMITMENT TO SHAREHOLDERS

One of the main stakeholders of the NH Group is its shareholders, with whom the Company undertakes a relationship based on mutual sustainable benefit governed by the principles of trust, transparency and ethics.

Creation of value and transparency

The NH Group has a continuous commitment to manage the Company with the objective of creating value for its shareholders. In this sense, it undertakes to provide all relevant information for their investment decisions immediately.

Corporate Governance standards

NH undertakes to manage the Company according to the market standards for comparable companies and focused on the existing best practices concerning Corporate Governance.

The fulfillment of these practices can be tested annually on the basis of the Annual Corporate Governance Reports that the Company's Board of Directors approves and submits to the General Shareholders Meeting. It is made available to all interested parties through consultation on the Company's webpage.

Internal Control and Risk Management

NH shall establish the proper controls to regularly assess and manage risks for the business, the people and the reputation of the Company.

NH Hotel is committed to transmitting information on the NH Group fully and truthfully, allowing shareholders, analysts and other stakeholders to form an objective judgment on it.

Likewise, NH undertakes to collaborate with the supervisory organs, bodies or inspectors, as required to facilitate administrative supervision.

Shareholders' information

The NH Group undertakes to develop all the necessary mechanisms to ensure compliance with the provisions of the Capital Companies' Act, with special care to safeguard the effective participation and voting rights of its shareholders in General Shareholder Meetings, to avoid imposing abusive or harmful agreements, as well as to address inquiries and requests for information from all its shareholders.

COMMITMENT TO THE COMMUNITIES AND TO SOCIETY

Economic and social development

Tourism and the hotel business represent significant engines of economic and social development throughout the world, and NH is proud to be part of the chain that generates growth in places where it is established, which it does while respecting local culture and population.

NH is a worldwide chain that provides its services across various geographical regions, both in developing regions and in developed countries. It therefore helps create local job opportunities and development for the communities where it is active.

NH keeps its commitment to the most socially disadvantaged groups, working alongside NGOs, foundations and institutions to carry out numerous social action programs.

Compliance with tax, social security and public treasury regulations

The NH Group is fully committed to its firm responsibility in contributing to sustaining public spending by implementing good practices in respect of taxes and social security.

The NH Group finds reprehensible any form of fraud against the various social security and taxation authorities, including by way of public assistance, funds and subsidies.

The NH Group agrees to comply with its accounting, tax and social security obligations through the adoption of healthy and prudent fiscal policies that aim to prevent and reduce tax risks.

Environment

NH is committed to caring for and respecting the environment in the daily performance of its operations. To this end, it requires the Subjects Bound by the Code and other Recipients to be fully involved to their utmost in the application of efficient solutions and the search for sustainable and innovative alternatives when servicing the Group's corporate offices, hotels, services and products.

NH has approved a Sustainability Policy to serve as a framework in which to establish and revise the environmental objectives. The Subjects Bound by the Code and other Recipients shall then deploy their professional activities and develop their relationships with the NH Group by following these objectives. The Sustainability Policy of the NH Group is based on the following principles:

- Apply the environmental criteria and rational use of energy to all planning work and decision-making on questions that could impact the environment.
- Comply with the environmental legislation that applies to the sector in which NH operates as well as to additional commitments accepted voluntarily.
- Implement the tools necessary to prevent pollution and reduce energy consumption.
- Make rational use of resources, minimizing water, paper and power use, reducing the generation of waste and emissions, favoring recycling and searching for eco-friendly solutions.
- Involve all the Subjects Bound by the Code in reaching the environmental objectives proposed through training and awareness-raising programs.
- Promote good environmental practices between suppliers and clients.
- Contributing to research, development, and the sharing of scientific and technological knowledge meant to preserve the environment and energy efficiency.
- Collaborate with the public administrations and entities in defining and implementing the conditions for sustainable touristic development.
- Use NH operations to contribute to improving environmental conditions in the regions and countries where it operates, identifying areas of improvement and working on efficient solutions most suitable in each environment.
- Commit to ongoing improvements in all those environmental regards identified by NH Hotel Group.

COMMITMENT TO ASSETS, KNOW-HOW AND RESOURCES OF THE NH GROUP

Protection of personal data

NH shall ensure the protection of personal data that are stored or exchanged during daily business operations. In pursuing the corporate goals, the said protection is a priority in order to reach the maximum level of quality.

In this respect, the Subjects Bound by the Code must at all times respect the legislation on protecting personal data when handling the personal data of clients, suppliers, shareholders, employees or third parties.

In order to comply with the above, NH shall adopt training policies and shall periodically distribute training materials to help with understanding in this area and to avoid any possible breach.

The appropriate use of tools placed at the disposition of the Subjects Bound by the Code

The Subjects Bound by the Code shall be responsible for managing and safeguarding the Company resources, including Information and Technology (IT) means and whatever electronic devices are placed at their disposal when suitable and necessary for performing their work and operations (email, intranet, internet, telephone, fax, servers, social networks, etc.), under conditions that reflect the job description and functions in question. They shall not abuse this use for their own purpose or in operations that could have an impact on the reputation and image of the NH Group.

The Subjects Bound by the Code shall agree to use the resources provided to them by the Company in an appropriate way that complies with the established internal standards and policies, using them only for carrying out their professional activities and avoiding any unusual use, except on an exceptional and reasoned basis.

Under all circumstances all the information contained in the technological and computer resources that NH provides to the Subjects Bound by the Code shall be considered a part of work and never private or personal, and the Company shall have the right to access this information to carry out controls as necessary, in a proportional and convenient way, to ensure that they are being used properly and in compliance with the legislation and good practices in force. As such, the Subjects Bound by the Code may not hold any reasonable expectation that the use or content of this information is private.

It is strictly forbidden to delete, damage, treat neglectfully, alter, eliminate or render inaccessible data, software or electronic documents of NH or its third parties, nor to hinder or interrupt the operation of their systems, applications and software.

Recipients may only access the computer systems they have been authorized to, via the properly licensed equipment and tools provided by NH. No software that could affect the security of those systems may be installed, used or distributed. Unauthorized copies or actions that allow the introduction of malware or attacks on the applications and infrastructure shall not be permitted.

Communications sent through the various computer devices shall not contain any offensive or defamatory statements.

Computer or communication system belonging to NH may not be used to distribute or transmit illegal, sexist, abusive, xenophobic, defamatory, obscene, racists, offensive or pornographic content, nor any materials that are illegal under the Laws in force or against the internal regulations of NH, whether they are through photos, texts, advertising banners or links to external pages. Nor is it permitted to publish, transmit, reproduce, distribute or use any information, pirated material or software that contains a virus or any other element harmful to the integrity of the computer systems or that may infringe copyright laws. Likewise, there shall be no publication, material or access to resources on hacking, cracking or any other information that NH considers likely to compromise the security and integrity of the computer systems, even if it is only a potential threat.

Copyrights and industrial property rights of the NH Group

NH shall proactively ensure the proper use and protection of its copyrights and intellectual property rights.

Without prior mandatory authorization, the Subjects Bound by the Code may under no circumstances, (I) reproduce, plagiarize, distribute, publicly share, transmit or otherwise use by any means for financial gain, any works or literary, artistic or scientific benefits covered by Company copyright, nor may they (II) reproduce, imitate, modify, or otherwise usurp an industrial property right of NH.

Likewise, NH and Subjects Bound by the Code shall respect and shall not infringe on the copyrights and industrial property rights of third parties under the selfsame terms established here above.

The copyrights of any program or process (IT related or not), that was prepared using NH resources, or at the offices of the NH Group during the effective period of the work contract and/or within the commercial relationships, shall be the exclusive property of the NH Group.

Whatever is not established in the present Code shall be covered by the internal procedures of NH, duly forwarded to all Subjects Bound by the Code (along with the Security Policy of NH).

Suitable use of the social networks

The Recipients shall refrain from using the social networks and social media to make statements, use expressions or show images that may adversely affect the prestige and reputation of NH, or that may prejudice or attack the reputation of its professionals, stakeholders or third parties in general.

Protecting confidential and insider information

The Subjects Bound by the Code and suppliers shall only have access to the information and tools, both physical and electronic, that they need for performing their functions. Furthermore, they shall maintain the strictest professional discretion and the confidentiality of all information they handle in the course of their professional duties.

For the aforementioned purposes, confidential information is defined as any information that may have been revealed, by word of mouth, writing or any other tangible or intangible means, to which the Subjects Bound by the Code or supplier may have gained access in the course of their professional activity or otherwise obtained by any method, whether legal or illegal, including and not limited to business plans, strategic plans, products or services, financial forecasts, sales agreements, with clients and suppliers, information on invoicing, client's data, patents, brands, utility models or any other copyrights or intellectual property rights or applications thereof (whether they have been registered or not), computer passwords, source code, inventions, processes, graphic or non-graphic designs, engineering, advertising, budgets, financial forecasts, characteristic features of any type of service that NH Group has marketed, management techniques pertaining to the hotel business or food and cafeteria services, sports activities, leisure activities or similar, whether they are related or accessory, including the hardware and software used as management tools, as well as any other information indicated or designated by NH as confidential and that is the property of the NH Group or of third parties.

The Subjects Bound by the Code and suppliers may not access, use or reveal the confidential information unless they have been duly and previously authorized to do so in writing by the responsible for the area or center in question where these services are provided. In case of doubt, and unless the contrary has been indicated, the Subjects Bound by the Code and suppliers must consider as restricted the information they may have access to in the performance of their work.

The following rules shall always apply in respect of handling confidential information:

- All the information shall be protected and kept strictly confidential.
- The confidential information shall only be divulged and used by the Recipients for those purposes they have been assigned in accordance with their work contract or the relationship that links them to NH. In the event that the Recipient needs the assistance of a third party and it becomes necessary to reveal the confidential information, the Recipient shall take all necessary measures to ensure that the information is duly protected, and shall subscribe for that purpose a written and binding confidentiality agreement covered by all the due legal guarantees.
- The information shall not be used, whether in its entirety or only a part of it, for any purpose other than what the Recipient was assigned in accordance with his work.
- The Recipient shall not reveal the information, either directly or indirectly, to third parties.
- The information shall not be copied, reproduced or duplicated, either in its entirety or in part, without written authorization from NH.
- The Recipient shall report any incorrect handling or use of the confidential information as soon as possible, cooperating with NH in the protection of the said information.
- No Recipient shall store information on NH on private computers or other tools not provided by NH.

- In the event that the Recipient should have to carry information outside of NH facilities in order to perform tasks or work inherent to their relationship with the NH Group, they must return the information once the task performed outside of the facilities is completed.
- The Recipients shall under all circumstances avoid drawing any personal benefit from a lucrative opportunity that they have become knowledgeable of, on their own or through an intermediary, through the performance of their tasks.

Furthermore, anything not contained in this provision, shall be ruled by the Internal Code of Conduct in the Securities Markets of NH Hotel Group, available on the corporate web site of the Company.

Theft or misappropriation of the assets

The NH Group shall provide the Subjects Bound by the Code with the resources necessary to perform their professional activity.

The misappropriation or inappropriate use of these assets shall be criminally prosecuted.



NH Collection Eurobuilding
Madrid, Spain

OBLIGATIONS CONCERNING FRAUDULENT OR UNETHICAL PRACTICES

Manipulation of information

The falsification, manipulation or deliberate use of false information constitutes an act of fraud.

The NH Group adopts a principle of transparent behavior in respect of information. This represents a commitment to transmit reliable information to the markets, whether financial or not. In this way, the financial economic information of the Company, both external and internal, shall faithfully reflect the economic, financial and equity situation in accordance with the generally accepted principles of accounting.

The Subjects Bound by the Code shall transmit the information in a truthful, complete and understandable way. Under no circumstances shall they knowingly provide information that is incorrect, inexact or inaccurate.

In this sense, the Subjects Bound by the Code shall abstain from:

- Keeping a record of operations off the balance sheets and not registered in the official books.
- Keeping a different set of books for the same activity and financial period, which hide or simulate the truthful situation of the Company.
- Registering non-existent expenses, income, assets or liabilities, or which do not reflect the real transactions.
- Failing to enter into the books, obligatory transactions, operations, or in general any economic exchanges, or else enter them with figures that do not represent the real situation.
- Making incorrect annotations into the account books.
- Using false documents.
- Deliberately destroying documents prior to the legally permissible time to do so.

Fighting private or public corruption

The NH Group rejects any form of corruption, be it in the private or public sector.

Fighting corruption in the private sector

Under no circumstance shall the Subjects Bound by the Code, on their own or through someone else, receive, solicit or accept any improper benefit or advantage of any sort from the exercise of their professional activity as remuneration meant to unduly benefit another party in a business deal with others, on their own behalf, on behalf of the NH Group or on behalf of a third party.

Likewise, under no circumstance shall the Subjects Bound by the Code, on their own or through someone else, promise, offer or grant in the exercise of their professional activity or under the same circumstances, any improper benefit or advantage of any sort as remuneration for an improper advantage in a business deal with others to the NH Group, to themselves, or to a third party, be it on their own behalf, on behalf of the NH Group or on behalf of a third party.

In general, the Subjects Bound by the Code shall abstain from accepting gifts or demonstrations of hospitality that they may receive from clients, suppliers, shareholders or third parties in general, for any value above 200 euros per gift or act of hospitality.

Notwithstanding the foreseen in the Corporate Policy of the NH Group in this respect, no gifts or demonstrations of hospitality shall be accepted, even for a value less than 200 Euros, when the context or circumstances in which they were promised, offered or given could give rise to the reasonable suspicion that it is an attempt to obtain the performance of an improper action or omission, or as after the fact remuneration for the same.

In the event that the aforementioned limit has been exceeded and that it is impossible or very difficult to return the gift or demonstration of hospitality, the Compliance Committee must immediately be notified of this offer, promise or gift, so that it goes to the right place or can be returned, in accordance with the rules established to that effect by the Department of Human Resources.

Also in general terms, in the course of carrying out their work or business, the Subjects Bound by the Code shall abstain from promising, offering or giving gifts or demonstrations of hospitality to clients, suppliers, stakeholders, or third parties in general who fail to comply with the provisions of the Corporate Policy of the NH Group in this matter.

Fighting against corruption in the public sector

The Subjects Bound by the Code shall never, on their own or through someone else, engage in offering, promising or granting any kind of improper benefit or advantage, of a pecuniary nature or other, with the aim of corrupting or trying to corrupt on behalf of the NH Group or themselves or a third party, a government authority or public servant, nor shall they reply to their request in such a context with the aim of obtaining a competitive advantage.

It is strictly and absolutely forbidden to engage in any action, conduct, behavior or practice constituting bribery, a kickback or influence interfering in our relationships with government authorities or public servants.

All practices constituting corruption, kickbacks or the payment of commissions of any form are prohibited, be they acts or omissions or by the creation or continuation of situations involving showing favor or irregular dealings in order to obtain a benefit for the Group or for their own person.

Money-laundering and irregularities

The Employees of the NH Group shall pay particular care to unusual cash payments and collection, paying special attention to the nature of the operation, as well as to cash checks and currencies that are different from those contained in the agreed payment terms, duly communicating the above irregularities through the channels and procedures established in this Code of Conduct, constantly complying with the regulation in force under all circumstances.

Payments where the payer or beneficiary is a third party that is not mentioned in the related contracts, as well as those payments made out to accounts that are not the customary ones used in the relationship with the entity, company or person in question, shall be duly notified.

Prostitution, the corruption of minors and persons with disabilities

Prostitution is defined as the activity in which a person engages in sexual relationships with another person in exchange for money or other goods.

NH shall take the measures necessary to avoid letting the hotel business be used for the purpose of prostitution or the promotion of prostitution.

NH does energetically and tirelessly refuse any circumstances where the prostitution of minors or persons with disabilities in need of special protection is induced, advertised, facilitated, or encouraged. To this end, the NH Group shall take the all the necessary measures and precautions possible and within its reach, to avoid any such behavior in the face of any reasonable suspicion that minors or persons with disabilities in need of special protection are being used for the purpose of prostitution and exhibition.

Conflict of interest and loyalty to the NH Group

(I) Conflict of interest for Employees that do not have the status of Board Members in companies belonging to the NH Group or who are not NH Group Executives.

A conflict of interest will be assumed to exist in all those situations where there is a direct or indirect conflict between the interest of the NH Group and the personal interest of an Employee,

The NH Group shall respect the participation of its Employees in other financial and business activities, provided that there is not conflict with the internal regulation, and that those activities are legal and do not compete with or be a source of possible conflict of interest with their responsibilities as Employees of NH.

All Employees must endeavor to avoid situations that could suppose a conflict between their personal interests and those of the NH Group, failing which they must abstain from representing NH, or intervening or being included in decision-making where they, or Related Persons, have a direct or indirect personal interest, in which case it must be notified to the Compliance Committee.

For that purpose, a Related Person is understood as:

- The spouse of the employee, the partner or those persons with a comparable emotional bond.
- The parents, children and siblings of the Employee or the Employee's spouse.

(II) Conflict of interest for Persons Subject to Substantive Rules on Conflict of Interest.

Notwithstanding to what is established in section (I) here above, NH deems it necessary to adopt the strictest regulations standards in respect of conflict of interest situations in which the Executives of the NH group might coincide (in accordance with the definition of "Executive of the NH Group" established in the present Code), the members of the Governing bodies of the NH Group, or those persons who are expressly designated by the Audit and Control Commission, in respect of the possibility that they might coincide with a potential conflict of interest in view of the position they occupy at the NH Group (all of the aforementioned persons shall heretofore be referred to as "Persons Subject to Substantive Rules on Conflict of Interest").

Persons Subject to Substantive Rules on Conflict of Interest are forbidden to carry out activities that directly compete with the Company, either on their own behalf or for others.

The Company, through its Board of Directors, has approved a Procedure on Conflict of Interest and Related-Party Transactions, which is applicable to the Executives and the members of the Board of Directors who are liable under these terms and subject to compliance with the rules therein.

Related-Party transactions

Without prejudice to the situations of conflict of interest in the strict sense defined here above, NH considers it a priority to establish a procedure that regulates the performance of Related-Party Transactions, since these might give rise in themselves to a situation where there is a conflict of interest.

In this sense, the Procedure on Conflict of Interest and Related-Party Transactions regulates the applicable standards that regulate the regime for this type of operation.

COMMITMENT TO THE STOCK MARKETS

The NH Group has approved an Internal Code of Conduct in the Securities Markets which determines the behavior and action principles which must be followed in relation to operations performed on the stock markets. Without prejudice to the fact that the scope of application of said Regulations is limited to the members of the Board of Directors, Executives, affected persons and external advisors with access to the reserved information, all of the Employees must know and respect the rules of conduct contained in the Stock Market Act and other rules which develop it. On this matter and to guarantee the above, NH will encourage the knowledge of said rules by the affected persons. In any event, said Regulations are available for consultation on the NH corporate webpage.



NH Collection Grand Hotel
Convento di Amalfi
Amalfi, Italy



APPLICATION PROCEDURE

ADVICE

When making decisions which may put compliance with general principles at risk, the Employees must analyze:

- The legality of the action
- Their capacity to adopt it
- The potential impact in the media
- The compatibility with the principle of business integrity and other suitability criteria.

When in doubt the Employees must agree upon the decision with their Managers and visit the section on Compliance on the NH Hotel Group intranet where they will be provided information on the following points:

- Access to training courses
- Additional copies of this Code of Conduct
- Frequency asked questions (FAQ) document
- A channel for submitting contributions and suggestions for future updates of this document
- The Employees can also raise doubts or request advice from the NH Internal Audit, Legal or Human Resources Departments.

PROCEDURE FOR NOTIFYING, PROCESSING AND SOLVING BREACHES OF THE CODE OF CONDUCT

All of the Subjects Bound by the Code must comply and contribute to the compliance of this Code.

For this purpose NH has established a procedure which allows both, the Subjects Bound by the Code as well as its Recipients, to confidentially notify any breach of the principles contained in this Code without fear of reprisals. Such procedure is published on NH intranet.

The report must be made in good faith and not be formulated based on mere guesswork or suppositions. The fraudulent use, clearly reckless, abusive or in absolute bad faith of the Ethics Reporting Line may lead to disciplinary action and/or legal actions being brought by the NH Group, all without prejudice to the legal actions which may correspond to the affected party.

The procedure for reporting, processing and solving any possible breaches and reports regarding the Code of Conduct shall be managed by the SVP of the Internal Audit Department of the NH Group (hereinafter the “Reports Manager”).

This person will act independently regularly reporting their activity to the NH Compliance Committee and the Audit and Control Commission.

The reports will preferably be issued electronically using a line expressly set up for such purpose, both on the NH intranet (<http://employeeportal.nh-hotels.com>) and via the NH corporate webpage (www.nh-hotels.com Corporate Social Responsibility and Sustainability), so that they can be sent to the Reports Manager. The reports can also be sent by post to the attention of the SVP of Internal Audit of NH at Santa Engracia 120, 28003 Madrid, Spain.

The Reports Manager will analyze the information presented, requesting the corresponding evidence and will present the results of the investigation to the Compliance Committee and Audit and Control Commission, all in accordance with the provisions of the investigation procedure. If the report is related to a member of the Management Committee of the NH Group or the NH Board of Directors, it will be presented to the Chairman of the Audit and Control Commission.

The following elements must be present in order to be able to receive and validate a report:

- Identification details of the person submitting the report
- Accurate and precise arguments or evidence to support the reports
- Person or group reported

The procedure shall ensure confidentiality in all of its phases and that no reprisals will be taken. The Reports Manager will sign a Confidentiality Agreement which, in the event of breach, will lead to claims for loss and damages deemed appropriate.

All of the Subjects Bound by the Code can make questions, ask for advice and set out issues associated to the compliance with the Code of Conduct and associated policies through the confidential Ethics Reporting Line available on the Intranet.

Those requesting advice or who wish to report an incident will be treated with respect and dignity, in accordance with the following principles:

- **Confidentiality:** The details and the declarations made will be examined in the strictest confidence. In compliance with the applicable legislation, the reports cannot be anonymous, although the utmost confidentiality is guaranteed throughout all of the phases of the investigation.
- **Exhaustive:** The information received on potential breaches of the Code of Conduct or any other internal or external regulations, shall be investigated in detail and completely in order to determine the veracity of the situation reported.
- **Respect and Dignity:** Those requesting advice or who wish to report an incident will be treated with the utmost respect and dignity, respecting at all time the fundamental rights of the people involved in potential breaches. Before making valuations about the reported situations, the affected third parties and/or employees shall be entitled to provide the reasons and explanations which they deem necessary.
- **Grounds:** any decision must be adopted in a reasonable, proportional, appropriate nature considering the circumstances and the setting of the events.

We expect Employees to act professionally and in accordance with the highest standards of integrity. The use of the confidential Ethics Reporting line must be consistent with this responsibility.



VALIDITY

This new Code of Conduct is effective as of 29 June 2015, the date on which it has been approved by the NH Board of Directors, replaces the previous NH Code of Conduct and will be completed with the provisions of the Internal Code of Conduct in the Securities Market, the Procedure on Conflict of Interest and Related-Party Transactions, the Investigation Procedure and other rules regulating the conduct, processes and operations which are performed by the persons included in the section relating to the subjective scope of application.

Taking into account that the NH Group operates in different countries, in the event that the content of this Code is different to the local rules and regulations, the Employees will give preference to the rule which is the strictest.

DISSEMINATION AND MONITORING

DISSEMINATION

The NH Group will take the appropriate measures in order to guarantee that all of the Recipients know the content of the Code and understand its scope. For such purpose, it will correspond to the Human Resources Department to disseminate the Code of Conduct.

Furthermore, the Code of Conduct will be available on the Intranet and on the Corporate webpage of the NH Group so that all of its Recipients can have access to it.

MONITORING

The Internal Audit Department will prepare a proposed annual report on incidents and degree of compliance with the Code which will be submitted to the Compliance Committee for approval.

Once approved by the Compliance Committee, it will be brought before the Audit and Control Commission for its assessment and approval.

The Compliance Committee will ensure the application of the Code of Conduct and establish its interpretation criteria, sending its conclusions to the Audit and Control Commission.

Furthermore, the Company, through its competent bodies, will adopt any guidelines and procedures which are appropriate in order to develop the provisions of this Code.



COMPLIANCE

The infringements of this Code, insofar as possible, must be immediately corrected and will be sanctioned if applicable under the current labour regulations, regardless of other liability which may be incurred by the infringing person and the corresponding filing of the legal claims which may apply.

REVISION AND UPDATE

The Compliance Committee shall periodically revise this Code, taking into account the annual reports and the suggestions from its Recipients, and shall propose to the Audit and Control Commission so that it can, if applicable, bring before the Board of Directors the changes and adaptations deemed appropriate.

The Company's Board of Directors shall approve the proposed changes to the Code.

The Company is bound to report to the Recipients the updates to the Code of Conduct. In addition NH will provide its Employees with the corresponding training courses in order to guarantee that they are aware of the rules contained in this Code.

The Employees on the other hand undertake to attend said courses and to keep themselves constantly informed about them and other didactic material which the Company provides to them.

ACCEPTANCE

All of the Subjects Bound by the Code must accept and assume this Code. The Company shall set up the procedures in order to guarantee that this Code of Conduct is known and accepted.

On the acceptance of this Code, the Recipients shall be automatically bound by subsequent adaptations or updates to this document, provided that said updates are caused by regulatory changes, unless expressly stated otherwise. Said updates shall be duly informed to the Recipients.

The Subjects Bound by the Code and suppliers who join the Company or are included on the suppliers register, as applicable, shall sign the Code of Conduct as an integral part of their employment, supply or services contract as is the case.