



NH Hotel Group

Code of Conduct

PRACTICAL GUIDE

nhow Berlin
Berlin, Germany

nH | HOTEL GROUP

nH
HOTELS


nH COLLECTION
HOTELS

nhow

Hesperia
RESORTS

nH | HOTEL GROUP



NH Collection Eurobuilding
Madrid, Spain

INDEX

LETTER FROM THE MANAGEMENT COMMITTEE OF NH HOTEL GROUP	4
INTRODUCTION	5
RESPECTING LEGAL PRINCIPLES AND ETHICAL VALUES	6
COMMITMENT TO PEOPLE	7
COMMITMENT TO CLIENTS	8
COMMITMENT BY SUPPLIERS	8
COMMITMENT TO SHAREHOLDERS	9
COMMITMENT TO COMMUNITIES AND SOCIETY	9
COMMITMENT WITH THE ASSETS, KNOWLEDGE AND RESOURCES OF NH GROUP	10
DUTIES IN RESPECT OF FRAUDULENT OR UNETHICAL PRACTICES	11
COMMITMENT IN RESPECT OF THE SECURITIES MARKE	16
SUSPICION OF NON-COMPLIANCE	16

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 the 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 behaviour 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 their commitment and collaboration during all these years, and we encourage them to continue applying the principles and values set out in this document in the day to day operations, as they represent the framework of NH Hotel Group behaviour.

Management Committee

INTRODUCTION

The Code of Conduct at NH Hotel Group sets forth the values guiding the behaviour of the Company and its professionals. Its content is the core guiding rule and it is extensive to all activities carried out by NH Hotel Group. Furthermore, it is applicable to all parties with which NH Hotel Group has any type of relationship or interaction and who must share its values and standards.

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 framework which determines their labour 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 labour 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 explicitly mentioned in the Code of Conduct, could be directly related to NH centres or operations, to the extent this document may be applicable 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 the application shall be called "Recipients" of the Code.

With the purpose of reinforcing the awareness of the Code of Conduct, the Code is available on the intranet and on the corporate website of NH Hotel Group. This Practical Guide is placed at the disposal of all Employees, proving clear and summary guidelines on the main rules of conduct which should inspire and govern the behaviour and the actions of professionals that are part of NH Hotel Group. Furthermore, all Employees have been provided with a document on "Frequently Asked Questions" to provide Employees practical and simple information on the Code of Conduct.

All Employees are informed that they can report any potential irregularities or potential non-compliance with the rules contained in the Code of Conduct by sending an email to the address codeofconduct@nh-hotels.com via a confidential channel that is placed at the disposal of all Recipients of the Code, managed by the SVP of Internal Auditing at NH Hotel Group.

The values and principles that should guide the actions of employees, managers, trainees, members of the board of directors, clients, shareholders, suppliers, and other stakeholder groups can be summarised as follows:

RESPECTING LEGAL PRINCIPLES AND ETHICAL VALUES

Respecting legal principles

All Employees shall be aware of applicable legislation to their area of responsibility and role performed at the Company, observing ethical conduct in all of their actions.

Therefore, the Company places at the disposal of Employees appropriate information, policies, procedures, and training allowing them to understand and comply with any obligations provided in the law and regulations which are applicable to their labour duties.

In the case of any doubts surrounding applicable regulations, Employees must seek advice by resorting to their senior or to the Internal Auditing Departments (via the channel codeofconduct@nh-hotels.com), the Legal Department or Human Resources.

Ethical integrity, honesty, transparency and trust

Business and professional activities carried out by NH Hotel Group and its Employees are based on the values of integrity and shall take place in agreement with the principles of honesty, transparency and trust, avoiding any form of corruption.

In addition to complying with applicable regulations, behaviour shall be impeccable, loyal, transparent and honest.

In this framework, NH Hotel Group reserves the right to turn down booking requests or to cancel them when it is verified that illegal ends or ethically reprehensible aims are sought.

Example:

We can refuse a booking request of a room when it is clearly obvious, without a doubt, that a conference glorifying terrorism will take place in such a room.

We shall not provide room bookings when it is clear that the room will be used for prostitution purposes.

Political neutrality

When Employees are representing NH, they shall act with political neutrality and abstain from taking sides directly or indirectly, for or against legitimate political processes and representatives. In particular, no donations or contributions of any description shall be made on behalf of NH or using resources of the Group to political parties, organisations, groups, movements, entities, whose activities are clearly linked to political activities.

Example:

We may take part in political activities in our free time whenever this does not have adverse consequences for the reputation of the Company.

We shall not take part in political activities interfering with our professional responsibilities and these activities cannot be funded with the resources of the Company.

COMMITMENT TO PEOPLE

Respecting human and labour rights

All actions by NH Hotel Group and its Employees shall strictly adhere to Human Rights and Public Liberties set forth in the United Nations Universal Declaration of Human Rights.

Prohibition of child labour and forced labour

Employment may not be given to minors. Furthermore, no form of forced or involuntary labour shall be permitted at workplaces. This prohibition shall be extensive to all NH suppliers and subcontractors.

Non-discrimination and equal opportunities

NH Hotel Group fosters non-discrimination on the grounds of race, colour, nationality, social origin, age, sex, marital status, sexual orientation, ideology, political opinions, religion, or any other personal, physical, or social conditions of its professionals, and also equal opportunities among the above.

Example:

We can hire a new employee on the basis of his/her merits and experience.

Performance assessment of our team shall not be conducted on the grounds of criteria other than merits.

Policies and actions concerning selection, procurement, training and internal promotion of Employees are based on criteria of ability, skills and professional merits.

The salary collected by Employees is in agreement with the duties carried out, always respecting the collective bargaining agreements in force for each industry.

In any event, NH Hotel Group shall foster personal and professional development of its employees.

Prohibition of abuse of authority, physical and psychological harassment

NH Hotel Group rejects any expression of violence, physical, sexual, moral and other harassment, abuse of authority at work and any other behaviour creating an intimidating or offensive environment for the personal rights of its professionals.

Example:

We will endeavour to treat all persons of our work environment with the same respect with which we would like to be treated ourselves.

We have no right to create a hostile or intimidating environment for the members of our team

Ensuring safety and health at the workplace

Employees of NH Hotel Group shall pay special attention to the rules concerning work health and safety, in addition to any rules that may be enforced by NH through its internal and external prevention services, with the purpose of preventing and minimising labour risks.

Prohibition, with restrictions, of alcohol consumption

The consumption of alcoholic beverages is prohibited during working hours, as well as attending the workplace under the influence of such beverages.

Prohibition of the use of drugs

The use of any substances prohibited by Law at the facilities of NH Hotel Group is strictly prohibited, as well as attending the workplace under the influence of such substances.

The consumption of tobacco shall be governed by applicable laws and the procedure established by NH Hotel Group for these purposes.

COMMITMENT TO CLIENTS**Guaranteeing quality of service to clients**

A principle underlining all actions concerning clients is the satisfaction of clients as a priority rule, via the efficiency of processes and transparency of actions guaranteeing quality service to clients.

Communications, advertising and promotional actions

Communications with clients shall always be truthful, clear, useful and precise in connection with the marketing of our products and services.

COMMITMENT BY SUPPLIERS**Suitability of suppliers on the basis of ethical criteria**

NH suppliers must respect human rights, and they shall not breach the Law and shall not put the reputation of the company at risk.

NH wishes to make the contents of this Code of Conduct and the duty to comply with it extensive to suppliers, and this is why the Code itself is incorporated into the contracts agreed with these parties.

Suppliers undertake any responsibility in respect of subcontractor firms and owners shall be responsible in respect of their employees.

COMMITMENT TO SHAREHOLDERS**Value creation and transparency of information to investors**

NH Hotel Group has the permanent commitment of managing the Company with the purpose of creating value for shareholders and shall permanently place at the disposal of the above any communication and consultation channels allowing them to avail themselves of suitable, useful and complete information. Therefore, any Employees concerned by this principle may undertake to provide any relevant information for the investment decisions of shareholders in a clear and fair way, guaranteeing the immediacy of communications insofar as possible.

Commitment on Corporate Governance

NH Hotel Group, as a listed company, has undertaken the commitment to manage the Company attaining the highest standards and existing best practices concerning Corporate Governance.

COMMITMENT TO COMMUNITIES AND SOCIETY**Economic and social development**

NH Hotel Group is a global chain, providing its services in a variety of locations, including developed countries and developing regions, and this enables it to contribute to the creation of employment on a local level and to develop the communities at the locations where its operations take place.

NH Hotel Group has developed a Corporate Responsibility Policy and maintains an active commitment towards the most deprived social groups and works alongside NGOs, foundations and institutions on the development of a wide range of Social Action programmes.

Safeguarding and complying with the Sustainability Policies of NH Hotel Group

NH Hotel Group completes its activities respecting the environment, complying with or even exceeding the highest standards set forth in the applicable environmental standards and minimising the impact of its activities on the environment.

By virtue of the above, any parties having this responsibility state their commitment to comply with the Sustainability Policy approved by NH.

Example:

We may carry out social actions for the benefit of disadvantaged groups in the city where we work, as long as they comply with the Corporate Social Responsibility Policy of the Group.

We may not do our work in a way that negatively impacts compliance with the sustainability targets of NH Hotel Group.

COMMITMENT WITH THE ASSETS, KNOWLEDGE AND RESOURCES OF NH GROUP

Protection of personal data

All Employees must always respect legislation concerning the protection of personal data where personal data of clients, suppliers, shareholders, employees, or third parties is concerned. Therefore, NH Hotel Group shall foster the knowledge of data protection laws among its Employees with the distribution of educational material.

Example:
We shall fulfil the security measures provided by the Company on data protection.
We shall not supply data of clients, suppliers, shareholders, employees, or third parties to unauthorised staff.

Responsible use of computer tools

Employees shall use their computer tools in conditions agreeing with the performance of their role and the duties carried out, and not use these tools in a way which is abusive, for their own benefit or for actions that could impact the reputation of NH Hotel Group.

Computer media cannot be used to disseminate any information that is illegal, sexist, abusive, aggressive, obscene, racist, offensive, or unauthorised by the Law, or pirated materials, or software containing viruses and, in general, any other materials that may in any way compromise the security and integrity of the computer systems.

Appropriate use of social media

Employees shall refrain from using social media and social communication media to disseminate information, images, or to make statements that may impact the reputation of NH or be offensive to the honour of its professionals, stakeholders, or third parties in general.

Example:
Social media may be used to promote NH and to distribute information on commercial developments.
Social media may not be used to transfer confidential information on the Group or to express opinions on policies or internal measures taken by the Company.

Duty of confidentiality

All Employees are to keep the strictest confidentiality and professional secrecy in respect of the information they handle. Therefore, Employees commit to carefully review duties concerning confidentiality set forth in the section of Code of Conduct concerning protection of confidential and privileged information.

Example:
We may disseminate publicly available information on the Company.
We may not provide investment or business forecasts not previously disclosed to the public or to official bodies by the departments of Analysis of Investments, Communications or the Office of the General Secretary.

Appropriate use of NH assets

Unnecessary appropriation and inappropriate use of the assets of the company is prohibited.

Example:
We will use the assets of the company solely in the framework of a labour relationship linking us to the company.
We may not use the assets of the company for personal or family use free of charge.

DUTIES IN RESPECT OF FRAUDULENT OR UNETHICAL PRACTICES

Measures against prostitution and the exploitation or abuse of minors and disabled persons

All Employees shall take particular care when they suspect that the hotel’s business is being used in connection with prostitution purposes or to foster prostitution, and may, where applicable, turn down hotel bookings on the grounds of ethical integrity set out above.

Furthermore, Employees shall take any measures required when they suspected that minors are being used for prostitution purposes.

Example:
We may provide accommodation to a minor accompanied by his/her family.
We may not provide accommodation to a minor when there is no identification or authorisation in writing from his/her legal representative or guardian.

In particular, NH Hotel Group is committed to prevention of child sex tourism adhering to and following the recommendations of the Code of Conduct fostered by ECPAT (End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes).

Refusing gifts or presents

Presents shall not be accepted for any reason from clients, suppliers, shareholders, etc. for a value in excess of 200 euros per gift. In the case where it was difficult to return gifts exceeding the value stated, the gift shall be raffled among the employees of the Department, Hotel, or workplace.

Example:
We may accept gifts worth less than 200 euros.
We may not accept gifts for amounts above 200 euros, and we will attempt to return them to the person who gave us the gift or we will raffle it among our colleagues.

Not accepting and not offering any benefits or advantages

No payments – in cash or in kind – may be requested, accepted or offered; and, as a general rule, this is also extensive to any undue benefits or advantages of any description to benefit Employees, NH Hotel Group or a third party in respect of others, failing to fulfil their duties in the acquisition or sale of goods or the procurement of professional services in the various countries in which NH Hotel Group carries its activities or intends to carry out such activities.

Example:
We may accept invitations to free training or conferences that could be offered by certain suppliers, whenever the above was not connected with certain consideration on behalf of NH Hotel Group (procurement commitment, purchases, prices, etc.)
We may not offer free rooms in exchange for discounts on goods or services for a personal benefit.

Supplier procurement policy

NH has a Procurement Policy and has implemented a system for the assessment and selection of new suppliers based on social, ethical and environmental criteria.

Example:
We must follow the Policy and Procurement procedures of the Group for any contracts.
We may not procure directly with family or friends. We must follow the guidelines set forth in the Policy and Procurement procedures.

Money laundering

Employees at NH Hotel Group shall pay special attention to payments and charges in cash which are unusual given the nature of the transaction, those made using cheques made out to the bearer or transactions made in currencies other than those initially agreed. The limits set out under current legislation in force shall always be fulfilled.

Example:
We shall resort to the protocol included in NH procedures when we collect money in cash at NH centres above the limits provided under enforced current laws.
We may not accept payments in cash from third parties which are not provided in service contract.

We will also notify any payments in which the issuer or beneficiary are third parties not mentioned under the relevant contracts, and also any payments made from accounts that are not usually employed in transactions with a certain entity, company or person.

Control over financial information

All Employees are bound to reflecting economic, financial and equity information in agreement with accounting principles.

NH Hotel Group has the due controls in force to regularly assess risks for the business, people and reputation, ensuring that the records of financial and accounting activities of the company are prepared in an accurate and reliable way, collaborating with internal auditors, external auditors and justice authorities.

Therefore, Employees shall refrain from doing the following:

- Keeping a record of transactions on extra-accounting media not recorded in the official books.
- Keeping different accounts relating to a same business and financial year, hiding or simulating the real situation of the company.
- Registering expenses, income, assets or liabilities that are non-existent or not a true reflection of reality.
- Recording business, acts, operations or, in general, economic transactions, or noting down the above with figures differing from the true figures.
- Making entries in the account books entering inaccurate records on their purpose.
- Using false documents.
- Deliberately destroying documents before the term laid down in the Law has passed.

Example:
We may keep a record of financial activities in a strict and reliable way.
We may not record non-existent expenses or income.

Combating private and public corruption

The falsification, manipulation or deliberate use of false information is strictly prohibited.

Furthermore, any practices involving corruption, bribery or the payment of commissions of any type, for acts or omissions or due to the creation or maintenance of favourable or illicit situations with the purpose of gaining any benefits for NH Hotel Group or personal benefits is strictly prohibited.

Example:

We can provide true and fair information.

We cannot pay a commission to a third party to be awarded a tender.

Employees shall refrain from making payments for the purpose of facilitating or speeding up procedures, consisting of handling money or goods in kind, whichever the amounts involved, to secure or expedite the course of a procedure or action concerning any court bodies, public authority or official body in any location in the world.

Example:

We shall act in an ethically impeccable way in respect of any public officials.

We may not pay a commission to an official to speed up a process.

Exerting any influence or authority arising from personal relationships of any Employees or members of the governing bodies of NH is also prohibited, even when this was to achieve a benefit for NH Hotel Group.

Example:

We will accept the consequences, including negative outcomes, of actions of public bodies.

We may not ask for “favours” from officials because they are relatives of an Employee or a member of the governing bodies of NH Hotel Group.

Conflict of interests and loyalty towards NH

It shall be regarded that there is a conflict of interest in the situations colliding with, directly or indirectly, personal interests of the professional involved and the interests of any of the companies of NH Hotel Group. There shall be personal interest when the above concerns such a person or a related party.

Professional decisions shall be based on the defence of the best interests of NH Hotel Group, so as not to be influenced by personal or family relationships or any other private interests of the professionals of the Group.

All Employees shall avoid situations involving a conflict of personal interests vis-à-vis those of NH Hotel Group, and shall abstain from representing NH Hotel Group in the case where both the employee and his/her Related Party compete with or have a conflict of interest in respect of NH.

Therefore, all Employees, Managers and Members of the Board of Directors are asked to carefully review the provisions set forth in the sections on “Duties in respect of fraudulent or unethical practices - Conflict of interests and loyalty towards NH” laid down in the Code of Conduct governing all matters concerning this subject, with the establishment of two degrees, taking extreme care in respect of potential conflicts of interests that may emerge for Directors and Members of the Board of Directors of NH Hotel Group.

The Company, through the Board of Directors, has approved a procedure for Conflicts of Interest and Related Party Transactions applicable to directors and members of the Board of Directors, which are compulsory for this collective, submitted to the compliance with the rules contained therein.

Example:

We may work for competitor companies following the termination of the employment relationship with NH, whenever the contract with NH did not provide other conditions.

We cannot place our personal interests before the interests of NH Hotel Group when we are performing our duties.

Related party transactions

Nevertheless, the narrow definition of conflict of interest scenarios provided above, NH Hotel Group has drafted a procedure regulating Related Party Transactions, a procedure described in the Code of Conduct in the section “Duties in respect of fraudulent or unethical practices – Related party transactions”.

COMMITMENT IN RESPECT OF THE SECURITIES MARKET

Directors, Members of the governing bodies, in addition to Employees with access to privileged information, commit to observe and comply with the provisions of the Internal Conduct Rules for Security Markets approved by the Company to the extent it is applicable.

SUSPICION OF NON-COMPLIANCE

All Employees of NH are bound to compliance with and contributing to the Code of Conduct.

NH has provided a procedure allowing confidential communication with no fear of reprisals in connection with any principles set forth in the Code. Reports on the Code are managed by the SVP of Internal Auditing of NH.

The report shall be made in good faith and shall not be based on conjectures or assumptions.

Example:

The whistle-blowing channel of the Code of Conduct shall be used to report suspicions of non-compliance with the Code by employees, suppliers, clients or other stakeholders.

We shall not use the reporting channel to resolve personal conflicts or to report unsubstantiated information on other employees, suppliers, clients or stakeholders.



NH Collection Grand Hotel
Convento di Amalfi
Amalfi, Italy