

Compliance and Prevention of
Criminal Risks System

CORPORATE GUIDELINES FOR HOTEL MANAGERS

- **Versions**

Version	Date	Author	Changes
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2.0	October 2017	HI Partners Holdco Value Added SAU	Segregation of hotel business
3.0	January 2019	HI Partners Holdco Value Added, S.A.	Update of the Compliance and Prevention of Criminal Risks System
4.0	December 2019	Hotel Investment Partners, S.A.	Change of corporate name

- **Approvals**

Governing body	Entity	Date
Board of Directors	Hotel Investment Partners, S.L.	29 June 2017
General Shareholders Meeting	HI Partners Holdco Value Added SAU Approval of the segregation of hotel business (universal succession)	4 October 2017
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I. INTRODUCTION

In the context of the development of its compliance system, the management of HIP, understood as any dependent company, directly or indirectly, of Hotel Investment Partners, S.A., has secured the drafting and approval of this Guidelines Manual (also referred to as the “**Manual**”).

HIP has identified the criminal risks of its operations and, with a view to mitigating these to a reasonable extent, has put together a set of measures for implementation. Given the special and close relationship between HIP and the managers of its hotels, HIP thought it was necessary to prepare this Manual in order to ensure that the managers of its hotels undertake to introduce suitable measures to avoid criminal offences being committed in the hotels they manage.

In any event, and this is an aspect HIP wishes to emphasise in particular, this Manual is no substitute for the internal monitoring system and compliance model managers must have to ensure they are carrying out their duties correctly and legally.

In this sense, the Manual seeks to be a compendium of the minimum guidelines that the hotel managers hired by HIP must implement in the establishments for which they are responsible.

The guidelines of this Manual are also sufficiently general to be used in any HIP establishment, and hence it is the manager's responsibility to adapt their implementation to the resources available and the particular circumstances.

For these reasons, and as has been agreed contractually, it is the responsibility of the manager to adopt monitoring measures which meet the requirements of the guidelines laid down this Manual or others of at least the same effectiveness.

II. MANAGERS' HANDBOOK

HIP hotel manager will receive, together with the management contract, the so-called “Managers' Handbook” which consists of the following compliance policies of HIP: (i) Code of Conduct; (ii) Anti-Corruption Policy and (iii) this Guidelines Manual.

The manager undertakes that both its employees and those of HIP working in the hotels is manages will comply with the rules contained in the “Managers' Handbook”.

The manager also undertakes to preserve evidence of the correct receiving and acceptance of these rules by all of the employees referred to above and to give regular training on it to ensure it is understood.

III. CORPORATE GUIDELINES

The managers of HIP hotels undertake to introduce measures designed to comply with the following provisions:

3.1. Security of information and protection of personal data

- Have external advice on computer matters from a competent third party or have its own IT department with sufficient resources to provide the hotel with an individualised service. This service must include activities to prevent and mitigate damages to the IT structure supporting the work of the hotel.
- Identify the different types of information handled by the staff of the hotel and the manager's staff in relation to the HIP hotel and classify it according to criticality, adopting suitable measures to restrict and authorise access to it and ensure its correct preservation by way of backup copies and servers.
- Strictly comply with regulations on protection of personal data, limiting the obtaining and access to the same to cases which are indispensable and informing guests of their rights at all times.
- Inform all staff working in the hotel that the video surveillance system is designed to avoid occurrences in the hotel which might cause damage to HIP and/or to work resources, and that the installation of video-surveillance cameras is necessary for protecting corporate materials and operations, and therefore that if any type of breach of the duties of employees is detected by the video-surveillance cameras the recording may be used by HIP to adopt the appropriate disciplinary measures.

3.2. Correct use of computer equipment

- Inform all employees working in HIP hotels that computer equipment is provided exclusively for work purposes, without there being any right to expect privacy in its use, and that use for any purpose which might directly or indirectly harm the security, the interests and/or the reputation of the company is prohibited.
- Publicise the prohibition on installing unauthorised programmes in the hotel's equipment or using equipment provided to employees by management for purposes which are not strictly work-related.
- Use only audiovisual media and computer programmes for which use rights are held.
- Specifically prohibit the use of any work tool for the purposes of entertainment, and particularly for sexual or moral harassment or for any type of reproachable conduct or to store, send or receive any type of obscene, offensive or discriminatory content.
- Inform all employees working in HIP hotels that where there is evidence or suspicion of breach of corporate rules, in the event of security breaches, or if the computer equipment and systems

is in need of maintenance, HIP or the manager reserve the right to inspect the content of the equipment provided to them, the content of the server, corporate email and the computer files at the workplace, eliminating all programmes installed without permission and all files considered not to be work-related, all of which by way of measures considered justified, necessary and proportionate.

3.3. Prevention of money laundering and financing of terrorism

- Use documents for knowledge of customers, suppliers, partners and third parties (KYC, “know your customer”) before beginning to deal with any counterpart. The answers given by the counterpart in these documents will be analysed by management to assess the possible compliance risk of the relationship it is sought to establish. This obligation does not extend to natural person customers.
- Always issue and request the appropriate invoices. These will be compared with purchase orders to detect any discrepancies between orders and invoices, and the description will be checked for conformity with the goods or services supplied. The amount paid will always be the amount in the invoice.
- No payments in cash in excess of 1,000 € will be accepted nor may payment of a single operation be divided up for the amount to be below this threshold. Nor will payment be accepted in bearer cheques or from banks not based in Spain.
- No payments will be made in cash with the exception of occasional small purchases.
- No accounts for assets managed will be held in tax havens.
- The manager must monitor the amounts of foreign currency exchange in the hotels and report this every month to Asset Management of HIP.

3.4. Dealing with customers

- Establish as the basis of dealings with customers the need to provide an honest and fair service, without discrimination among customers and in accordance with the law, complying with the Law on Consumer Protection. Particular emphasis will be put on protecting the customer's interests and prohibiting any deception or fraud at their expense, for example the application of an abusive clause or charging for a service not provided.
- Both presential and online general contractual terms will be reviewed by a legal adviser to ensure their legality.
- It will be ensured that all information distributed externally (website, advertising, mailings, social networks, etc.) is true and accurate.
- No product or service will be offered to customers not forming part of normal operations and which has not been approved by HIP (e.g. medicines without medical prescription).
- Lay down mechanisms to protect customers' means of payment. Restrictions on access to customers' credit card numbers, these always being handled in the customer's view and with them being informed of the item for which they are being charged.

3.5. Food handling and safety

- Comply with requirements on analysis of dangers and hazard analysis and critical control points (HACCP) in hotels for which they are responsible.
- Require all employees who handle food to have the appropriate qualification, and ascertain whether local regulations impose the need for any supplementary training.
- Carry out and document (the manager itself or a competent third party) a HACCP analysis in which:
 - Points of danger are identified.
 - Control mechanisms are introduced to mitigate them.
 - Responsibilities are allocated on the performance of these controls.
 - Correction mechanisms have been established for any deviations which have occurred.
- Report regularly to HIP on any alteration of systems of prevention of potential dangers in matters of food safety and on any incident which has occurred. This analysis will be repeated at least once every three calendar years or when changes to asset operations make it appropriate.
- Contract a third-party expert on the matter (e.g. a specialist laboratory) to carry out regular inspections and analysis of conditions and hygiene of the areas and tools used in the preparation of food.

3.6. Selection of suppliers and purchases

- Contract always in the interests of HIP and within the scope of its powers, seeking the acceptance of HIP if these are exceeded. Report to HIP on the acceptance and development of contractual relations signed with third parties in its name which impose on it any type of obligation.
- Have a guide to objective criteria for the selection of suppliers, avoiding conflicts of interest and preferential treatment.

3.7. Protection of competition

- Check that in commercial actions for the benefit of HIP it has avoided any collusive and/or anti-competitive practices, and that it has not carried out any actions actively to prejudice competitors.
- Know and adequately implement in the supply of its services local, regional, national and international regulations on free market competition.
- Guarantee that it has not committed or been the subject of any complaint for the prohibited conduct or acts of unfair competition and distorting of free competition referred to in the Law on Competition and other applicable regulations.

3.8. Environmental management and maintenance of installations

- Have an asset management department or sub-contract this function to a third party of proven competence.
- Make an inventory of the regulations (regional and local) applicable to environmental assets (including management of waste and dangerous substances), and licences it is necessary to maintain. This analysis will be carried out yearly.
- Have an environmental management department or sub-contract this function to a third party of proven competence.
- Introduce all measures necessary to comply with regulations on noise pollution applicable to the asset in question.

3.9. Town planning and licences

- Prevent activities contrary to the licences being carried out in the hotel.
- Not commence any works on the asset without the prior authorisation of HIP.
- If works are being carried out, monitor the work of the contractors to check that it is in accordance with the work authorised by HIP in accordance with the licence.
- Not hire any contractor not authorised in advance by HIP.

3.10. Insurance against possible liabilities

- The manager must take out the appropriate insurance to cover in full the main risks deriving from its operations. Hence unless provision is made to the contrary in the management contract signed with HIP the hotel manager must have coverage of the following risks:
 - Public liability.
 - Protection of facilities and property.
 - Loss of profit.

The manager must ensure that the insurance taken out for the coverage of the risks is in force and does not have an end date prior to the end of the contract. It must also declare that it has not made any fraudulent claim and that it will assume full responsibility for the legal and financial consequences deriving from the breach. It must also provide HIP with information on claims made during the management of the hotels it is responsible for.

3.11. Work hazard management

- Have a head of HHRR to implement, develop and supervise measures adopted in this field (pay slips, social security, termination of contracts, etc.).
- Respect the right to trade union freedom and other rights recognised in the International Conventions of the I.L.O., the Statute of Workers and applicable collective agreements. It also has the duty of informing HIP and employees' representatives on situations in which it has not been able to comply with this paragraph and in these cases follow the instructions of HIP.
- Inform all employees, regardless of category, that there will be a policy of zero tolerance for workplace harassment or discrimination at work (both in selection and the performance or

termination of the contract). In this regard, the manager must draw up a protocol for the prevention of workplace harassment.

- If the hotel has subcontracted part of its operations, take the measures necessary to protect HIP from claims for illegal assignment of workers, at least:
 - Establishing that the employees of the subcontractor will be clearly identified to avoid confusion with employees of HIP.
 - Maintaining physical separation (changing rooms, lockers, etc...) between the staff of HIP and that of the subcontractor to prevent confusion.
 - Appointing a single contact between the manager and the subcontractor. Instruct that person so that he knows the limits of his powers to manage the work of the subcontractor.
 - Refraining from giving instructions and specific evaluations on individual workers of the subcontractor. These must always be made on the general work of the subcontractor and be expressed through the appointed contact person.
- Have a work hazard prevention service, in the sense of a set of human and material resources necessary to carry out prevention activities in order to ensure adequate protection of the health and safety of employees. This prevention service may be: i. in house (set up in the company itself with its own qualified workers) or ii. outsourced (specialist entity from outside the company to provide the service, recognised by the labour authorities).
- Introduce and apply a Work Hazard Prevention Plan at all levels and covering all operations (written down and made available to the labour authority).
- Develop and introduce the instruments essential for the management and application of the work hazard prevention plan:
 - Assessment of work hazards (initial and updated): assessment of work hazards in each workplace, taking into account each job position and the characteristics of the employees who are to fill them.
 - Planning of preventive activity: consisting of carrying out planning of the preventive activities to be followed to eliminate or reduce and control situations of risk detected in assessments of work hazards.Both instruments must be kept at the disposal of the labour authority.
- Provide employees working in HIP hotels with the PPEs necessary and suited to the carrying out of their functions, and ensure these are used.
- The manager shall ensure that employees receive free theoretical and practical training on hazard prevention in relation to their job position and the functions they carry out. This training will be given on the employee being hired and regularly thereafter and whenever there is a change of function or job position, changes are made to work teams or new technology is introduced.
- The manager will comply with its duties of information, consultation and participation of employees in matters of hazard prevention.

- Introduce emergency plans adapted to the size and activity of the company/workplace which analyse possible emergency situations and adopt necessary measures on first aid, fire fighting and evacuation.
- Designate employees to be responsible for putting these measures into practice and regularly checking they are in working order.
- Offer employees the possibility of having medical checkups, although these checkups will be voluntary for employees except in exceptional circumstances. Documentation on checks on the health of employees and conclusions obtained from the same (or if the checks are not made, the employee being offered the possibility) shall be kept at the disposal of the labour authority.

IV. RESPONSIBILITIES OF HOTEL MANAGER

As indicated in the introduction to this Manual it is the responsibility of the hotel managers to develop the measures described in the guidelines of this document.

And managers also have the option, as has also been stated, to develop their own measures equivalent to those described in this Manual in their capacity to mitigate associated risks.

Such development of measures (those of this Manual or the manager's own) is part of the duty of care which HIP expects, as is stated in the contract, of all of its managers.

Managers must ensure that both their employees and those of HIP who carry out their functions in the hotels they manage know, accept and comply with the provisions of this Manual, having provided the training necessary for a correct understanding of the applicable rules.

The manager will also inform HIP immediately of any inspection or potential penalty proceedings brought against the hotels of HIP, and of any breach of contract, claim or complaint arising during the supply of services, and must assume responsibility for the handling of the same and for any consequences which may derive from them.

V. MONITORING OF APPLICATION OF CORPORATE GUIDELINES FOR HOTEL MANAGERS

HIP, as part of its own duty of care, wishes to ensure that managers are complying with the guidelines of this Manual (or equivalent guidelines) and will conduct the appropriate audits (of its own accord or with a third party) on the content of this Manual. The manager is expected to provide the greatest co-operation in these audits as part of its performance of the agreements entered into.

These audits should be considered covered by the powers granted to HIP for such purposes in the management agreement signed by the manager at the outset of its activity. For this reason, the periods of prior notice, the duration and other characteristics of the same shall be those laid down in the said contract.

The manager will also provide HIP with added security in the performance of the content of this Manual by signing annual letters of declaration in the form included as an annex of this Manual. These documents will consist of a formal declaration prepared by HIP and signed by the manager in which it corroborates that it has performed the tasks necessary to mitigate the possible compliance risks identified by HIP in the areas of activity coming under this Manual. The declarations will be signed by the manager annually and submitted to HIP for safekeeping.

The Letter of Declarations to be signed by employees working in hotels owned by HIP concerning their commitment to observe the Code of Conduct and the Anti-Corruption Policy of HIP is also attached.

VI. CONTACTS AND COMMUNICATIONS CHANNEL

If the manager has any doubts on how to implement the guidelines of this Manual, he must contact his normal contact person in HIP or write to the following email address: **codigoconducta@hipartners.com**

HIP makes available to all associates of HIP the Communications Channel on the corporate website (**canalhipartners@cuatrecasas.com**), as a confidential means of communicating any serious infringement of corporate rules, the management of which is handled by an external supplier in order to safeguard the identity of the informant. The functioning and guidelines for use of this channel are to be found in the Policy on Use of the Communications Channel.

LETTER OF DECLARATIONS

In [], [] [] [].

[], with offices at [] and Tax Identification Number [], represented by Mr./Ms. [], of full age with Tax Identification Number [] (hereinafter the “**MANAGER**”) sends this letter of declarations to [], with offices at Avenida Sarriá, nº 102-106, Barcelona (08017) (hereinafter the “**OWNER**”).

AND STATES TO IT

- 1) That it issues this Letter of Declarations with validity from [] [] [] until [] [] [].
- 2) That the MANAGER is responsible for the management and administration of the following assets which are the property of the OWNER pursuant to the respective contracts signed by the OWNER and the MANAGER:
 - [Hotel []], contract of [management/lease] dated [] [] [].
 - [Hotel []], contract of [management/lease] dated [] [] [].
 - [].
- 3) That in the context of its activity of management of the assets referred to above the MANAGER acts always with due diligence and in particular wishes to make the following:

DECLARATIONS

As regards the “Manager's Handbook” (i.e. Code of Conduct, Anti-Corruption Policy and Corporate Guidelines Manual for Hotel Managers of the OWNER), the MANAGER declares that:

- 1.1. It has complied with the provisions of the “Manager's Handbook”, having signed for receipt and acceptance of it [] [] [].
- 1.2. It has promptly informed the Owner of all situations in which it has not been able to comply with the point above and that in all cases (if any occurred) it has followed the instructions received from the Owner in that regard.
- 1.3. It intends to continue to comply with the rules referred to above throughout the rest of the period of validity of this declaration.

The MANAGER undertakes that the contents of this Letter of Declarations are, to the best of its knowledge, completely truthful and that prior to signing it has made all investigations to be expected as part of its duty of care to obtain assurance of this.

The MANAGER also certifies that it interprets and performs the management [of the asset/of the assets], and the other terms of this Letter, in accordance with the provisions of the contracts referred to above.

In witness whereof the MANAGER signs this Letter of Declarations.

THE MANAGER
Mr./Ms []

LETTER OF DECLARATIONS

In [], [] [] [].

Mr./Ms. [], with address at [] and identity card [] (hereinafter the “**Employee**”), in his/her capacity as employee of [], with offices at Avenida Sarriá, nº 102-106, Barcelona (08017) and Tax Identification Number [], (hereinafter the “**Company**”) from [] [] [], declares the following to the Company:

1. Declarations concerning the Code of Conduct and the Anti-Corruption Policy of the Company

As regards the Code of Conduct and the Anti-Corruption Policy of the Company, a copy of which has been provided to him/her, the Employee declares that:

- 1.1. He/she has read the said rules of the Company and understood all of their terms, undertaking to respect them and comply with the values if the same in good faith.
- 1.2. He/she has sought and will seek advice by way of the mechanisms the Company has put at his/her disposal when he has doubts concerning the interpretation or the application of the said rules and guidelines.
- 1.3. He/she has reported and will report immediately by way of the said mechanisms any fact known to him/her or which he/she considers may involve breach of the said rules or the law, and has undertaken to comply with any measure required by the company in this respect.

The Employee undertakes that the contents of this Letter of Declarations are, to the best of his/her knowledge, completely truthful and that prior to signing he/she has made all investigations to be expected as part of his/her duty of care to obtain assurance of this.

This Letter of Declarations shall be valid throughout the employment relation between the Company and the Employee.

The Employee certifies that he/she interprets all terms of this Letter in accordance with the provisions of the employment contract signed by the parties.

In witness whereof the Employee signs this Letter of Declarations.

Mr./Ms. []