

## ESH HOSPITALITY, INC.

### CODE OF BUSINESS CONDUCT AND ETHICS

#### I. INTRODUCTION

This Code of Business Conduct and Ethics (the “**Code**”) is a set of guiding principles for the conduct of business on behalf of ESH Hospitality, Inc. and its subsidiaries (individually and collectively, “**ESH**”). All ESH’s directors, officers and employees (“**Associates**”) shall comply with the terms of this Code. This Code applies to every Associate of ESH, and compliance is essential to maintain the confidence and support of all of our shareholders and our position as a leader in our industry and in our communities.

This Code requires that we act with integrity and respect the trust placed in us. It is intended to act as a shared set of ethical principles to guide our daily business activities, to safeguard ESH’s reputation for honesty and integrity, and to serve as a foundation for achieving success in the right way. The honesty and integrity of Associates are major factors in the success of our business.

The elements of this Code are in addition to other ESH policies and Associate training which, in some cases, may be more specific. These additional training tools are a part of ESH’s ongoing commitment to maintaining a culture of sound ethics and integrity.

Associates are expected to report any activity or requested action that they believe to be potentially in violation of the law or this Code by using any of the methods described in this Code, which includes the ability to report anonymously using either:

ESH CAP line number:      OR      ESH’s internet-based link, managed by third-party administrator, EthicsPoint:

1-855-722-2812

Link: <http://extendedstayamerica.ethicspoint.com>

ESH forbids retaliation against any Associate who, in good faith, reports a suspected violation of this Code.

We require every Associate to read this Code carefully and to understand that our commitment to integrity, ethical business practices, and legal compliance is a responsibility that we all share.

## II. STATEMENT OF POLICY

### A. Policy

It is the policy of ESH that its Associates (as defined in Section I) comply with all applicable laws and regulations and act honestly and ethically in their business dealings on behalf of ESH in accordance with this Code of Business Conduct and Ethics. No Associate has the authority to violate this Code or cause any other party to violate this Code. Failure to observe applicable laws or the ethical business standards contained in this Code may expose ESH and its Associates to criminal indictment, legal sanctions, financial penalties, and/or a tarnished reputation. All Associates are expected to be honest, objective, and diligent in the performance of their duties and responsibilities. They are trusted by ESH to exhibit loyalty in all matters pertaining to ESH's affairs and to not engage in any illegal or improper activity.

### B. Compliance

All Associates of ESH are required to comply with all aspects of this Code, consult this Code for guidance when acting on behalf of ESH, and to keep themselves informed of this Code and any amendments that may be made to this Code from time to time; provided that in the case of non-employee directors, compliance with this Code is subject to the provisions of ESH's certificate of incorporation, bylaws and any stockholders agreement with ESH. All ESH's management personnel are charged with the responsibility of supervising their respective areas of ESH's business to ensure compliance with this Code, addressing concerns as they are raised by Associates in a timely, open, and honest manner, and promoting an honest and ethical work environment. If you have any questions or concerns regarding any interpretations or applications of this Code, specifics of any policy or your legal or ethical obligations, please contact your supervisor or the Legal department.

### C. Reporting Known or Suspected Violations

1. Associates shall promptly report (openly or confidentially and/or anonymously) in any of the manners described in this Section II.C:

- a. Any questionable accounting, internal accounting controls or auditing matters (an "**Accounting Allegation**");
- b. Any possible non-compliance with applicable legal and regulatory requirements (a "**Legal Allegation**");
- c. Any possible non-compliance with this Code (a "**Code Allegation**"); and
- d. Any alleged retaliation against Associates and other persons who make, in good faith, Accounting Allegations, Legal Allegations or Code Allegations (a "**Retaliatory Act**").

2. In addition to any other avenue available, you may, in your sole discretion, report to the Chairperson of the Audit Committee, General Counsel or Vice President, of Audit Services any Accounting Allegation, Legal Allegation, Code Allegation or Retaliatory Act, using any of the following options:

In writing: ESH Hospitality, Inc.  
Attn: Audit Committee, General Counsel or Vice President, of  
Audit Services  
11525 N. Community House Road, Suite 100  
Charlotte, NC 28277

By phone: ESH CAP line, 1-855-722-2812 (at any time)

Internet link: <http://extendedstayamerica.ethicspoint.com>

Any report by an Associate may be made openly or confidentially and/or anonymously. You may also report possible violations of this Code and send questions or comments to your manager. ESH will maintain confidentiality to the extent possible, subject to applicable legal requirements and the need to conduct an adequate investigation.

3. ESH forbids retaliation against any Associate who, in good faith, reports a suspected violation of the law, this Code, or any other Company rule or because the Associate participates in or cooperates with an investigation of such concerns. Retaliation is any conduct that would reasonably dissuade an Associate from raising, reporting or communicating about good faith concerns through our internal reporting channels or with any governmental authority, or from participating in or cooperating with an investigation or legal proceeding raising such concerns. Retaliation may occur through conduct or written communication and may take many forms, including actual or implied threats, verbal or nonverbal behaviors, changes to the terms or conditions of employment, coercion, bullying, intimidation, or deliberate exclusionary behaviors.

ESH adheres to applicable laws protecting Associates against unlawful retaliation as a result of their raising good faith questions or concerns or because of their participation in an investigation. If you are ever aware of retaliatory conduct, promptly report it.

#### D. Violations of this Code

If the Audit Committee, General Counsel, Vice President, of Audit Services or their respective designees determine(s) that this Code has been violated, either directly, by failure to report an Accounting Allegation, Legal Allegation, Code Allegation or Retaliatory Act, or by either withholding information relating to a violation or by authorizing or knowingly allowing a subordinate to be in violation of this Code, the offending Associate may be subject to disciplinary action up to and including termination of employment. Violations of this Code also may constitute violations of law and may result in criminal penalties and civil liabilities of the offending Associate and ESH. Obstructing or undermining

investigations, withholding or destroying information, including failing to report a violation, or providing misleading information are violations of this Code and, in addition to disciplining an Associate for such acts, ESH may report any such acts to a law enforcement official.

E. Amendments and Waivers

This Code has been approved by our Board of Directors. The Audit Committee shall review and reassess this Code annually and recommend any proposed changes to the Board of Directors for approval. Any amendment to this Code that requires disclosure by law or applicable stock exchange regulation will be disclosed on our website in accordance with law or applicable stock exchange regulation.

Any waiver of this Code for executive officers or directors may be made only by the Board of Directors or the Audit Committee and, if required by law or applicable stock exchange regulation, will be promptly disclosed to the public, along with the reason for the waiver.

**III. LEGAL COMPLIANCE**

A. Compliance with Laws, Rules and Regulations

Obedying the law is the foundation on which ESH's ethical standards are built. Relationships with guests, customers, suppliers, competitors, Associates, franchisees and governmental bodies and officials must comply with all laws, rules and regulations applicable to the conduct of ESH's business. Many laws apply to ESH's business both inside and outside the United States. For example, ESH must comply with certain trade and financial transaction restrictions which prohibit dealings that could aid terrorists or organizations that support terrorists and ensure that transactions are not used for money laundering. Any questions about the legal propriety of any matter should be directed to ESH's Legal department.

B. Insider Trading

United States Securities Laws prohibit trading on the basis of material, non-public information (*i.e.*, insider trading). Associates who have access to material, non-public information about a company, including ESH, regardless of its source, are not permitted to use or share that information for their personal benefit for securities trading purposes. All non-public information about ESH, its customers, suppliers, franchisees or joint venture parties should be considered confidential information. Trading in ESH securities while in possession of material, non-public information may constitute illegal insider trading, and it is also may be illegal to communicate or "tip" such information to others who do not have a legitimate business need for acquiring the information. Additional information regarding avoiding insider trading is available in our Compliance with United States Securities Laws and Security Trading: Securities Trading Policy.

C. Competition

Competition and antitrust laws regulate dealings with competitors, customers, distributors, and other third parties. All Associates must understand the extent to which competition and antitrust laws affect their daily work. All affected Associates must fully and constantly comply with applicable competition and antitrust laws. Such laws prohibit agreements with a competitor to set any terms of sale (*i.e.*, prices, discounts, credit terms) and limit the information ESH can share with competitors. Because of these risks, Associates are prohibited from discussing competitive matters with any competitors, without the prior authorization of ESH's Legal department. All Associates must comply with all applicable antitrust laws and requirements relating to fair competition.

#### D. Anti-Corruption Laws

ESH prohibits improper international business practices and complies with all applicable anti-bribery and anti-corruption laws, such as the United States Foreign Corrupt Practices Act ("FCPA"), similar laws of host nations, and related anti-bribery conventions. It is the policy of ESA that all Associates, third parties, representatives, and agents of ESH are prohibited from offering, promising, making, authorizing or providing (directly, or indirectly through third parties) any payments, gifts, or the transfer of anything of value to any government official (including family members of the official) in any jurisdiction to influence or reward any official action or decision by such person for ESH's benefit. Neither ESH funds nor funds from any other source, including personal funds, may be used to make any such payment or gift on behalf of or for the benefit of ESH in order to secure a business advantage.

1. Anything of Value. Anti-corruption laws prohibit improper payments related to both tangible and intangible things. For example, a loan, a gift, entertainment, a generous contribution to a charity sponsored by a government official as a quid pro quo for government action, the promise of future payment, or the promise of future employment for the government official or a family member could be considered a bribe or improper payment that is prohibited under this Code and applicable law. Moreover, the mere offer of a corrupt payment can violate the anti-corruption laws, regardless of whether the payment is ever made, and regardless of whether the government official actually takes any action in response to a promise or payment.

2. Obtain Business or Secure Improper Business Advantage. Prohibited payments are those made to a government official to obtain or retain business or secure an improper business advantage. This can include payments offered to influence virtually anything that a government official does in his or her official capacity.

3. Government Official. A government official includes: (a) any person who is an officer, officeholder, full-time or part-time employee or representative of any (i) national, state, regional, provincial, city, county or other local government; (ii) independent agencies of any government; (iii) state-owned businesses or state-controlled businesses; (b) political parties, political party officials, and candidates for political office; and (c) the employees of public international organizations such as the United Nations and European Union.

All Associates, third parties, representatives, or agents of ESH should conduct business, on ESA's behalf and at all times, honestly and without the use of bribery, inducement or corrupt practices in order to gain an unfair advantage. ESH has a zero-tolerance policy towards bribery, inducement and corruption and is committed to the highest levels of openness, integrity and accountability. Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical, a breach of trust or the improper performance of a function or activity.

Each Associate has a direct, personal responsibility for complying with anti-corruption laws and a violation of these laws will result in appropriate disciplinary action and could include termination. Any time that you are faced with a decision that involves providing something of value to a foreign official, or any payment to any party not in compliance with the Gift Policy in Section IV.E below, you should consult ESH's Legal department and should not decide on your own whether any particular course of action is permitted or prohibited by applicable anti-corruption laws.

#### **IV. CONFLICTS OF INTEREST, CORPORATE OPPORTUNITIES, FAIR DEALING, INVESTMENTS, AND GIFTS**

##### **A. Conflicts of Interest**

A "conflict of interest" arises when an Associate's private interest interferes, or appears to interfere, in any way, with the interests of ESH or his or her objectivity and effectiveness as an Associate. It is important that Associates not put themselves in any situation that might force them to choose between one's own personal or financial interests and the interests of ESH. Conflicts of interest may also arise when an Associate, or members of his or her family, receives improper personal benefits as a result of his or her position at ESH. Loans to, or guarantees of obligations of, Associates and their family members may create conflicts of interest. Actual conflicts of any of these types should be avoided, but even the appearance of a conflict of interest can be harmful.

Some examples of potential conflicts of interest include, but are not limited to:

1. Serving as a manager, director, officer, consultant, or any other key role with a company doing business with or competing with ESH while employed with ESA;
2. Working for a vendor, supplier, contractor or franchisee of ESA while employed with ESA;
3. Hiring or contracting with a family member to provide goods or services;
4. Owning a direct or indirect material interest in, being a creditor of, or having other material financial interest in a non-public company which is a competitor of ESA or is doing business with ESA;

5. Accepting impermissible gifts or services from vendors, suppliers, contractors, franchisees, or individuals doing business with or seeking to do business with ESA;

6. Influencing commercial transactions involving purchases, contracts or leases for personal gain or in a way that would have a negative impact on ESA; and

7. Holding a personal financial interest or intimate relationship with a direct report or an Associate within the reporting chain.

Associates must report the existence or discovery of any circumstances which constitute a conflict of interest or could create a potential conflict of interest, including any financial or other business relationship, transaction, arrangement or other interest or activity with any of ESH's suppliers, customers, franchisees, competitors or other persons.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with the General Counsel, Vice President of Audit Services, or their designees.

B. Corporate Opportunities

Associates are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors. No Associate may use ESH's property, information or position for improper personal gain, and no Associate may compete with ESH directly or indirectly. Associates owe a duty to ESH to advance ESH's legitimate interests whenever possible.

C. Fair Dealing

Associates shall deal fairly with ESH's guests, customers, suppliers, franchisees, competitors and other Associates. No Associates should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or similar unfair practice.

Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing improper disclosure of such information by past or present employees of other companies is prohibited.

D. Investments

Unless specifically authorized, Associates should not act as shareholders, directors, officers, partners, agents, or consultants for a supplier, customer, or competitor except with regard to shares in publicly traded companies, which may be held by Associates for personal investment purposes.

#### E. Gifts

Business decisions made by Associates are expected to be made fairly and impartially and only on the basis of quality, reputation, service, price and similar competitive factors. Accepting gifts from clients or vendors may involve a conflict of interest. ESH considers a “**gift**” to include any item, product, or service of value given to an Associate by an existing or potential competitor, supplier, customer, or other party with whom ESH does business. The term “gift” should be construed in the broadest sense. It applies to the transmission of anything of value, regardless of type. No gift may be offered or accepted if it will create a feeling of obligation, compromises judgment, appears to improperly influence the recipient, or acts as an inducement for an action which is illegal, unethical, a breach of trust or the improper performance of a function or activity. Good judgment and moderation must be exercised when accepting entertainment and/or gifts in order to avoid even the appearance that a business decision has been influenced.

ESH has established clear policies regarding the acceptance and giving of gifts between Associates and business partners, guests, customers, contractors, franchisees, vendors, and suppliers. Associates are expected to abide strictly by those policies, as detailed in ESH’s Associate Handbook. In addition to abiding by ESH’s policies, Associates should use common sense in giving and accepting gifts in the context of business relationships. Associates should not accept any gift that could compromise his or her objectivity in making decisions for ESH, that creates the appearance of impropriety, or that violates the law.

Tips paid by guests in the ordinary course to Associates who are engaged in employment positions within the hospitality industry which customarily receive tips such as housekeeping shall not be considered a “gift” under this Code so long as the tip is reasonable in amount and does not create a feeling of obligation, compromise judgment, or appear to improperly influence the recipient.

#### F. Gifts to Government Officials

It is the policy of ESH to prohibit gifts of money, loans, or any other unlawful inducement to any public official unless expressly approved by ESH’s Office of the General Counsel. If approval is given by ESH’s Office of the General Counsel department for a gift or entertainment to a government official, then all local, state, and federal laws regarding gift giving must be followed. Associates are expected to use good judgment and moderation in these instances, and to coordinate with ESH’s Office of the General Counsel to ensure that any proposed gift is being made in accordance with ESH policies and in compliance with the law.

### V. **SEXUAL AND OTHER HARASSMENT**

All Associates are entitled to the right to work in a business atmosphere that promotes equal opportunities and prohibits any form of harassment based upon race, color, religion, sex (including pregnancy, lactation, childbirth or related medical conditions), age (40 and over), national origin or ancestry, citizenship, physical or mental disability, genetic information

(including testing and characteristics), status as a disabled veteran or other protected veteran, uniformed service member status, or any other category protected by law.

As further defined in ESA's Equal Employment Opportunity Policy in the Associate Handbook, harassment can be sexual or non-sexual in nature. Any Associate who believes that he or she has been discriminated against or harassed based upon any of the above protected categories or subjected to retaliation or who is aware of such conduct against others, should report the conduct promptly.

## **VI. HUMAN RIGHTS**

ESA supports basic human rights and prohibits the use of child, compulsory, or forced labor. Associates are strictly prohibited from using ESA facilities to knowingly support or take part in human trafficking and human rights abuses. Associates should report promptly any violation of this provision.

## **VII. USE OF ESH'S ASSETS, PROPERTY, AND TECHNOLOGY**

All Associates must protect ESH's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on ESH's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. ESH's assets include ESH's room furnishings, equipment, vehicles, computers, technology, supplies, and all items subject to sale to the public at ESH's properties, as well as less obvious things such as your time at work and work product, ESH's information, trademarks and name. No use of any ESH trademark or other intellectual property shall be granted to a third party except pursuant to a written use agreement in accordance with ESH's policies. Unless expressly approved by a separate ESH policy, all of ESH's assets should be used solely for legitimate ESH business purposes only. None of ESH's assets, funds, facilities, personnel, or other resources should be used for personal purposes unless authorized under a separate ESH policy or otherwise approved by the General Counsel.

## **VIII. FINANCIAL INTEGRITY: BOOKS AND RECORDS**

We are committed to providing investors with full, fair, accurate, timely and understandable disclosure in the periodic reports that we are required to file. To this end, the records, data and information owned, used and managed by ESH must be accurate and complete. All Associates are personally responsible for the integrity of the information, reports and records under their control. Our records must accurately and fairly reflect, in reasonable detail, ESH's assets, liabilities, revenues and expenses. It is essential that the integrity, accuracy, and reliability of ESH's books, records, and financial statements be maintained to comply with all legal, accounting, tax, and other regulatory requirements. No transaction shall be entered into with the intention of it being documented or recorded in a

deceptive manner. No false or misleading documentation or book entry shall be made for any transaction.

Similarly, all funds, assets, and transactions must be disclosed and recorded in the appropriate books and accounted for properly and punctually. Associates may not manipulate financial accounts, records or reports or take any action or cause any person to take any action to influence, coerce, manipulate or mislead auditors for the purpose of rendering financial statements misleading. All transactions must be approved and executed in accordance with internal control procedures established by ESH and must be recorded in such a manner as to permit the preparation of accurate financial statements for ESH. Associates who prepare, maintain or have custody of ESH's records and reports must ensure that these documents: (a) accurately and fairly reflect, in reasonable detail, the assets and transactions of ESH; (b) are safeguarded from loss or destruction; (c) are retained for specified periods of time in accordance with ESH's document retention policy; and (d) are maintained in confidence. In addition, under Regulation FD promulgated under the Securities Exchange Act of 1934, ESH is prohibited from selectively disclosing material, non-public information.

## **IX. CONFIDENTIALITY**

### **A. Confidential Information**

Associates are exposed to confidential or proprietary information about ESH, its guests, customers, suppliers, or joint venture parties. The confidentiality of all such information shall be strictly maintained, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes non-public information about ESH or information that would be harmful to ESH or its guests, customers, suppliers, franchisees, or joint venture parties if disclosed. All information about ESH, its business, stockholders, guests, customers, suppliers, franchisees, or joint venture parties should be considered confidential including, but not limited to, confidential technology, proprietary information, trade secrets, business plans, documents, pricing and records. Associates should not, without the prior written authorization from the appropriate authority, acquire, use, access, copy, remove, modify, alter or disclose to any third parties, any confidential information for any purpose other than to perform their job responsibilities. All confidential information must be returned to ESH prior to an Associate leaving ESH.

Notwithstanding the foregoing, nothing in this Code prohibits an Associate from reporting possible violations of law or regulation to any federal, state or local governmental agency or entity (the "**Government Entities**"), communicating with Government Entities or otherwise participating in any investigation or proceeding that may be conducted by Government Entities, including providing documents or other information to such Government Entities. An Associate does not need the prior authorization of the Company to take any action described in the preceding sentence.

B. Associates' Personal Information

ESH believes in respecting the confidentiality of its Associates' personal information. This means that access to personal records should be limited to ESH's personnel who have appropriate authorization and a clear business need for that information. Associates who have access to personal information must treat it appropriately and confidentially. Associates' personal information should not be provided to anyone outside of ESH without proper authorization unless legally mandated.

**X. POLITICAL CONTRIBUTIONS**

Contributions of ESA assets or personal assets on behalf of ESA to political parties or candidates for public office are prohibited unless federal, state, or local laws clearly authorize such contributions and any such contribution is authorized by executive management.