

Governance Policy

The following Corporate Governance Guidelines (the “**Guidelines**”) have been adopted by the Board of Directors (the “**Board**”) of CitiHome Hospitality Limited (the “**Company**”) to assist the Board in the exercise of its responsibilities. The Board intends that these Guidelines serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations, and should be interpreted in the context of all applicable laws and the Company’s Amended and Restated Certificate of Incorporation (as amended from time to time, the “**Certificate of Incorporation**”), Amended and Restated Bylaws (as amended from time to time, the “**Bylaws**”) and other corporate governance documents. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company and its shareholders or as required by applicable laws and regulations.

1. Role of Board and Management

The Company’s business is conducted by its employees and officers, under the direction of the Chairman and Chief Executive Officer (“**CEO**”) and the oversight of the Board to enhance the long-term value of the Company for its shareholders. The Board is elected by the shareholders to oversee management and to assure that the long-term interests of the shareholders are being served. The Board recognizes that the long-term interests of shareholders are advanced by taking into consideration, as appropriate, the concerns of other stakeholders, including colleagues, guests, property owners, suppliers, the public and members of the communities in which the Company operates.

2. Functions of Board

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its shareholders, and to conduct themselves in accordance with their duties of care and loyalty. The Board has regularly scheduled meetings during the year (at least four normally scheduled meetings) at which it reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. Directors are expected to attend all scheduled Board and relevant committee meetings, barring special circumstances.

3. Qualifications

The shareholders shall be primarily responsible for identifying and recommending to the Board qualified candidates for Board membership based primarily on the following criteria:

- Judgment, character, expertise, skills and knowledge useful to the oversight of the Company’s business;

- Diversity of viewpoints, backgrounds and experiences;
- Business or other relevant experience; and
- The extent to which the integrity of the candidate's expertise, skills, knowledge and experience with that of the other Board members will build a Board that is effective, collegial and responsive to the needs of the Company.

Directors should devote the time and effort necessary to fulfil their duties and responsibilities, and should be prepared to serve on the Board for an extended period of time. Directors should offer their resignation if in their reasonable judgment any significant change in their personal circumstances, including a fundamental change in their principal job responsibilities, makes them unable to devote sufficient time to their responsibilities as a Board member. The shareholders shall consider the resignation offer, evaluate the continued appropriateness of Board membership in light of all of the circumstances and recommend to the Board whether to accept such director's resignation or request that the director continue to serve.

The Board does not believe that arbitrary term limits on a director's service or mandatory retirement age are appropriate, nor does it believe that directors should expect to be renominated at the end of their respective terms until they resign or are removed. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policies and objectives. The Board believes that, as an alternative to term limits and a mandatory retirement age, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines. The Chairman of the Board as well as the shareholders shall monitor performance and take steps as necessary regarding continuing director tenure. Similarly, the Board does not believe that its members should be prohibited from serving on boards of other organizations and has not adopted any guidelines limiting such (or other) activities.

Service on other boards and/or committees should be consistent with the Company's conflict of interest policies set forth below.

4. Independence of Directors

The Board will review annually the relationships that each director has with the Company to determine whether each director qualifies as an Independent Director.

Only those directors who the Board affirmatively determines have no direct or indirect material relationship with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) will be considered Independent Directors. A material relationship is one that would interfere with the director's exercise of independent judgment in carrying out his or her duties and responsibilities as a director.

5. Size of Board and Selection Process

Pursuant to the Certificate of Incorporation, the number of directors shall be fixed from time to time by the Board, but in no event will be less than three (3) or more than seven (7). The directors are elected by the shareholders of the Company at the annual meeting of shareholders. The Board is divided into three classes, and the term of directors in each class is three years. Each year, at the annual meeting, the Board will recommend a slate of directors for the class whose term of office is expiring for election by the shareholders. In accordance with the Certificate of Incorporation, the Board will also be responsible for filling vacancies or newly-created directorships on the Board that may occur between annual meetings of shareholders. The shareholders will be responsible for identifying, screening and recommending candidates to the entire Board for Board membership.

6. Selection of the Chairman of the Board and Chief Executive Officer

The Board will elect the Chairman of the Board and Chief Executive Officer in the manner and based on the criteria that it deems appropriate and in the best interests of the Company given the circumstances at the time of such election. The offices of the Chairman of the Board and Chief Executive Officer may be either combined or separated, at the Board's discretion.

7. Setting Board and Committee Agendas

The Chairman of the Board in consultation with management, shall determine the agenda for each scheduled Board meeting. Directors are urged to make suggestions for agenda items, or additional pre-meeting materials, to the Chairman of the Board at any time.

8. Advance Receipt of Meeting Materials

Information regarding the topics to be considered at a meeting is essential to the Board's understanding of the business and the preparation of the directors for a productive meeting. To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the directors sufficiently in advance of each meeting to allow for meaningful review of such agenda and materials by the directors. Directors should review the materials provided in advance of the meetings of the Board and should arrive prepared to discuss the issues presented.

9. Charitable Contributions

The Company may on occasion make contributions to charitable organizations with which a director is affiliated. All such contributions shall be reasonable in amount. No contribution shall be made if to do so would cause the director to no longer be considered an “independent director”.

10. Ethics and Conflicts of Interest

The Board expects its directors, as well as officers and employees, to acknowledge their adherence to the policies comprising the Company’s Code of Business Conduct and Ethics (the “Code”). Certain portions of the Code deal with activities of directors, particularly with respect to potential conflicts of interests and the taking of corporate opportunities for personal use. Directors should be familiar with the Code’s provisions in these areas and should consult with the Company’s General Counsel in the event of any issues.

11. Reporting of Accounting or Auditing Concerns

Anyone who has a concern about the Company’s accounting, internal accounting controls or auditing matters may communicate that concern directly to the Ethics Contact identified in the Code. Such communications may be confidential or anonymous, and may be e-mailed, submitted in writing, or reported by phone as provided in the Code. The Ethics Contact shall discuss all concerns relating to accounting, internal controls, auditing or officer conduct with the Chairman of the Board. The Code prohibits the Company or any of its employees from retaliating or taking adverse action against anyone for raising or helping in good faith to resolve an integrity concern.

12. Compensation of Board

The shareholders shall have the responsibility for recommending to the Board compensation for non-management directors. Directors who are employees of the Company shall receive no additional compensation for serving as directors. In discharging this duty, the shareholders shall be guided by three goals: compensation should be designed to fairly pay directors for work required commensurate with the Company’s size and scope; compensation should be designed to align directors’ interests with the long-term interests of shareholders; and the structure of the compensation should be simple, transparent and easy to understand. The shareholders shall periodically review non-management director compensation and benefits.

13. Succession Plan

The Board shall discuss succession plans for the CEO and other executive officers, including development of plans for interim succession for the CEO or Chief Financial Officer in the event of an unexpected occurrence. The CEO should make available to the Board his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

14. Annual Compensation Review of Senior Management

The shareholders shall annually approve the goals and objectives for compensating the Chairman of the Board, the CEO and other executive officers. The shareholders shall evaluate the performance of the Chairman of the Board, the CEO and other executive officers in light of these goals before setting their salary, bonus and other incentives.

15. Access to Senior Management

Directors shall have full access to officers and other management level employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company. It is the expectation of the Board that the directors will keep the CEO informed of communications between a director and an officer or other management level employee of the Company, as appropriate.

16. Access to Independent Advisors

The Board shall have the right at any time to retain independent outside accounting, financial, legal or other advisors.

17. Director Orientation and Continuing Education

Management, working with the Board, shall provide an orientation process for new directors, including background material on the Company and its business. As appropriate, management shall prepare additional educational sessions for directors on matters relevant to the Company and its business.

18. Review of Corporate Governance Guidelines

The shareholders will review on at least an annual basis these Guidelines and recommend, as appropriate, to the Board amendments to the Guidelines. Based on such recommendation, the Board will review and amend, as appropriate, the Guidelines, as well as consider other corporate governance principles that may, from time to time, merit consideration by the Board.

19. Shareholder Communications

Shareholders who wish to communicate with non-management directors can address their communications as follows:

Mail: CitiHome Hospitality Limited,
St John House, The Walk,
Potters Bar, EN6 1QQ

The Company Secretary will maintain a record of all such communications and promptly forward to the Chairman of the Board those that the Company Secretary believes requires immediate attention. The Company Secretary shall periodically provide the Chairman of the Board with a summary of all such communications. The Chairman of the Board shall notify the Board of those matters that he or she believes are appropriate for further action or discussion.

20. Director attendance; Participation at Meetings: Confidentiality; Speaking on Behalf of the Company

A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly prepare for and attend meetings of the Board with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the Chairman of the Board in advance of such meeting, and, whenever possible, participate in such meeting via teleconference.

Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and risks and competition it faces, to ensure active and effective participation in the deliberations of the Board.

The proceedings and deliberations of the Board shall be confidential. Each director shall maintain the confidentiality of information received in connection with such director's service as a director.

It is important that the Company speak to its colleagues and outside constituencies with a single voice, and that management serve as the primary spokesperson. If a situation does arise in which it appears necessary for a non-management director to speak on behalf of the Company, the director should consult with the Chairman of the Board and/or the CEO in advance.