



Code of Conduct

Revised March 6, 2020

TABLE OF CONTENTS

- ABOUT OUR CODE OF CONDUCT 4
- HERSHA’S GUIDING VALUES..... 5
- EQUAL EMPLOYMENT OPPORTUNITY 6
- DIVERSITY..... 6
- DISCRIMINATION, HARRASSMENT, AND RETALIATION PREVENTION..... 7
 - REPORTING PROCEDURES 8
 - INVESTIGATION PROCEDURES..... 9
 - REASONABLE ACCOMODATION..... 9
- WORKPLACE VIOLENCE10
 - REPORTING.....10
 - INVESTIGATION.....10
 - CORRECTIVE ACTION AND DISCIPLINE.....11
- OPEN AND DIRECT COMMUNICATION11
- WHISTLEBLOWER POLICY.....11
- BUSINESS ETHICS AND ASSOCIATE INTEGRITY12
- INSIDER TRADING AND USE OF CONFIDENTIAL INFORMATION13
- HEALTH AND SAFETY14
 - DRUG-FREE AND ALCOHOL-FREE WORKPLACE.....14
 - SMOKING15
 - CYBERSECURITY15
- STANDARDS OF CONDUCT16
 - PERFORMANCE COACHING.....17
 - CONSENSUAL RELATIONSHIPS18
 - EMPLOYMENT OF RELATIVES19
- SUPPLIER CODE OF CONDUCT19
- COMMUNICATION PROGRAMS20
 - BULLETIN BOARDS20
 - ENGAGEMENT SURVEYS20
- ASSOCIATE APPRECIATION & PROFESSIONAL DEVELOPMENT.....20
 - RECOGNITION PROGRAMS20

TRAINING	20
PERFORMANCE ASSESSMENTS	21
PROFESSIONAL GROWTH & ADVANCEMENT	22
OVERVIEW OF BENEFITS	22
TOTAL COMPENSATION	23

ABOUT OUR CODE OF CONDUCT

Hersha Hospitality Trust was organized in 1984 as a group of owner operators that managed single and multiple hotels. Today, Hersha has expanded into an extraordinary, ownership company for many full-service franchise facilities, including Marriott, Hilton Hotels, Hyatt, and InterContinental Hotel Group.

Our associates are building a tradition of quality and have brought Hersha to the successful position we hold in the hospitality industry today. We are proud of our heritage, and we are committed to achieving even greater success for all of our stakeholders.

We are committed to being an outstanding corporate citizen and creating an environment for our associates that make Hersha properties and our corporate offices an exceptional place to work. As such, we support and respect the protection of the internationally recognized United Nations Universal Declaration of Human Rights, as well as labor rights. The responsibility of human rights and labor rights, including diversity initiatives and protection of minority groups' and women's rights, is overseen at the Board level. Our human rights and labor rights policies are applicable not only across our enterprise and geographies, but also within our sphere of influence. This includes but is not limited to non-associates (e.g. suppliers, vendors, and partners). Furthermore, we strive to conduct our business with the highest ethical standards and believe the following values are fundamental to our continued success.

While our employment is "at-will," the fact is that Hersha offers competitive wages, good benefits, as well as the best working conditions for each associate. Hersha is proud to have an open-door problem-solving procedure that we believe is responsive to our associates' needs and concerns. Hersha is fully committed to providing the very best working conditions for its associates based on the belief that as a team we can be the best hotel company in the world.

We strive to provide stability and support for our associates. There have been no major mergers, acquisitions, or layoffs in the last three years that have affected a large proportion of our Hersha associates or led to significant variations in employment numbers.

Please note, this Code of Conduct is presented merely for informational purposes. For all associates, please refer to Hersha's internal, comprehensive Associate Handbook for further details. Hersha will strive to adhere to the policies and procedures outlined and will strive to treat all associates fairly and consistently.

HERSHA'S GUIDING VALUES

PEOPLE ARE OUR CAPABILITY

Each of our guests, associates, and partners are important to our continued success
Encourage personal and professional growth
Celebrate individuals and the stories they share

ONLY EXCELLENCE

Pursue greatness, distinction and always seek to exceed expectations
Passion and teamwork drive our advantage
Recognize achievements large and small

HEARTS THAT SERVE

Revel in the art and dignity of service
Inspire each other and give back to our communities
Act humbly and treat everyone graciously

STAY NIMBLE

We are quick to embrace change and innovation
Communicate and listen to ideas openly and suggest thoughtful solutions
Find opportunities that make us bigger, better, and stronger

OWN IT

We keep our promises and act with integrity
Everyone is accountable and shares outcomes honestly and directly
We roll up our sleeves and get the job done

EQUAL EMPLOYMENT OPPORTUNITY

Hersha is an equal opportunity employer. We are dedicated to ensuring that all of our decisions regarding all aspects of the employment relationship, including recruitment, hiring, placement, promotion, transfer, train compensation, benefits, employee activities, and general treatment during employment are in accordance with our principles of equal opportunity. It is Hersha's policy that, in exercising our management responsibilities:

- We will not discriminate against associates or applicants on the basis of race, color, national origin, ancestry, sex, gender, gender identify, pregnancy, childbirth or related medical condition, religious creed, physical disability, mental disability, medical condition, marital status, veteran status, sexual orientation, genetic information, or any other characteristic protected by federal, state, or local law (together "Protected Characteristics"). We hire and promote individuals qualified or trainable for positions solely by virtue of job-related standards of education, training, experience and personal qualifications.
- We consider all requests for reasonable accommodations made by any applicants or associates who are disabled within the meaning of the Americans with Disabilities Act and/or similar state and local laws.
- We consider requests for reasonable accommodations based upon religious belief.
- We reserve the right to request medical certification of a disability in connection with requests for accommodations.
- We will not tolerate intimidation, harassment, or retaliation against associates or applicants because they have engaged in or may engage in filing a complaint of discrimination; are assisting with or participating in an investigation; are opposing any act or practice made unlawful by the federal, state or local discrimination laws; or are otherwise engaging in any activity protected by law.

DIVERSITY

Hersha recognizes the importance of treating each team member in a fair and consistent manner. As the company has grown and expanded, our workforce has organically become much more diverse, without a need for a formal gender, ethnicity, or age diversification strategy.

On average, over the past five years, this strategy has led to a diverse workforce at the senior management and workforce levels, with the following demographics across Hersha Hospitality Trust:

- 39% of our workforce is women and 61% is men
 - 22% of our executive management team is made up of women
 - 37% of our female workforce hold roles of Director and above
- 27% of our workforce identifies as a member of a minority group
- 30% of our workforce is under the age of 30, while 57% of our workforce is between the ages of 30 and 50

We will continue to identify and attract a workforce of the best available talent at every organizational level, from the board to the workplace, and continue to regularly monitor our diversity levels. We recognize and value the talents of each associate and believe their talents are what has helped Hersha maintain its leadership in the industry.

DISCRIMINATION, HARRASSMENT, AND RETALIATION PREVENTION

Hersha will not allow any form of retaliation against individuals who raise issues of equal employment opportunity. To ensure our workplace is free of artificial barriers, violation of this policy, including any improper retaliatory conduct will lead to discipline, up to and including ending the employment relationship. All associates must cooperate with all investigations.

Hersha does not tolerate and prohibits discrimination, harassment or retaliation of or against job applicants, contractors, interns, or employees by another employee, supervisor, vendor, customer or any third party on the basis of Protected Characteristics. Hersha is committed to a workplace free of discrimination, harassment, and retaliation. There was no incident of discrimination reported in 2019.

Discrimination Defined

Discrimination under this policy means treating differently or denying or granting a benefit to an individual because of the individual's protected characteristic.

Harassment Defined

Harassment is defined in this policy as unwelcome verbal, visual or physical conduct creating an intimidating, offensive or hostile work environment that interferes with work performance. Harassment can be verbal (including slurs, jokes, insults, epithets, gestures or teasing), graphic (including offensive posters, symbols, cartoons, drawings, computer displays or emails) or physical conduct (including physically threatening another, blocking someone's way, etc.) that denigrates or shows hostility or aversion towards an individual because of any protected characteristic. Such conduct violates this policy, even if it is not unlawful. Because it is difficult to define unlawful harassment, associates are expected to behave at all times in a professional and respectful manner.

Sexual Harassment Defined

Sexual harassment can include all of the above actions, as well as other unwelcome conduct, such as unwelcome or unsolicited sexual advances, requests for sexual favors, conversations regarding sexual activities and other verbal or physical conduct of a sexual nature.

Examples of conduct that violates this policy include:

- Unwelcome sexual advances, flirtations, advances, leering, whistling, touching, pinching, assault, blocking normal movement;
- Unwelcome requests for sexual favors or demand for sexual favors in exchange for favorable treatment;
- Obscene or vulgar gestures, posters or comments;
- Sexual jokes or comments about a person's body, sexual prowess or sexual deficiencies;
- Propositions or suggestive or insulting comments of a sexual nature;
- Derogatory cartoons, posters, and drawings; sexually-explicit emails or voicemails; uninvited touching of a sexual nature; unwelcome sexually-related comments;
- A conversation about one's own or someone else's sex life;
- Conduct or comments consistently targeted at only one gender, even if the content is not sexual; and
- Teasing or other conduct toward a person because of the person's gender.

Retaliation Defined

Retaliation means adverse conduct taken because an individual reported an actual or perceived violation of this policy, opposed practices prohibited by this policy or participated in the reporting and investigation process described below. "Adverse conduct" includes but is not limited to:

- Shunning and avoiding an individual who reports harassment, discrimination or retaliation; express or implied threats or intimidation intended to prevent an individual from reporting harassment, discrimination or retaliation; and
- Denying employment benefits because an applicant or an associate reported harassment, discrimination or retaliation or participated in the reporting and investigation process described below.

REPORTING PROCEDURES

The following steps have been put into place to ensure the work environment is respectful, professional, and free of discrimination, harassment, and retaliation. If an associate believes someone has violated this policy or the Equal Employment Opportunity Policy, the associate should promptly bring the matter to the immediate attention of the associate's supervisor. If this individual is the person toward whom the complaint is directed, the associate should contact any higher-level managers in the reporting chain or a People Support representative. Every supervisor who learns of any associate's concern about conduct in violation of this policy, whether in a formal complaint or informally must immediately report the issues raised to any member of management or People Support representative.

INVESTIGATION PROCEDURES

Upon receiving a complaint, Hersha will promptly conduct a fair and thorough investigation into the facts and circumstances of any claim of a violation of this policy or our Equal Employment Opportunity policy. To the extent possible, Hersha will endeavor to keep the reporting associate's concerns confidential. However, complete confidentiality may not be possible in all circumstances.

During the investigation, Hersha generally will interview the complainant and the accused, conduct further interviews as necessary and review any relevant documents or other information. Upon completion of the investigation, HHM shall determine whether this policy has been violated based upon its reasonable evaluation of the information gathered during the investigation. The company will inform the complainant and the accused of the results of the investigation.

Hersha will take corrective measures against any person who it finds to have engaged in conduct in violation of this policy if Hersha determines such measures are necessary. These measures may include but are not limited to, counseling, suspension or immediate termination. Anyone regardless of position or title, whom Hersha determines has engaged in conduct that violates this policy will be subject to discipline, up to and including ending the employment relationship.

REASONABLE ACCOMODATION

Discrimination can also include failing to reasonably accommodate religious practices or qualified individuals with disabilities where the accommodation does not pose an undue hardship.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, Hersha will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result.

Any job applicant or associate who requires an accommodation in order to perform the essential functions of the job should contact the direct supervisor and discuss the need for accommodation. Hersha will engage in an interactive process with the associate to identify possible accommodations, if any, that will help the applicant or associate perform the job. An applicant or associate who requires accommodation of a religious belief or practice (including religious dress and grooming practices, such as religious clothing or hairstyles) should also contact the supervisor or a People Support representative and discuss the need for accommodation. If the accommodation is reasonable and will not impose an undue hardship, Hersha will make the accommodation.

Hersha will not retaliate against you for requesting reasonable accommodation and will not knowingly tolerate or permit retaliation by management, employees or co-workers.

WORKPLACE VIOLENCE

Hersha is committed to preventing workplace violence, any kind of bullying, and maintaining a safe work environment. Accordingly, the company has adopted the following guidelines to deal with intimidation, harassment or other threats of violence that may occur on company premises.

Hersha expressly prohibits any acts or threats of violence by any Hersha associate or by a guest or other visitor against any other associate in or around Hersha facilities, or elsewhere, at any time. We also prohibit any acts or threats of violence against guests, vendors, visitors or other persons on Hersha property at any time or while they are engaged in business with or on behalf of Hersha.

Firearms, weapons and other dangerous or hazardous devices or substances are prohibited from company premises. Where state or local law prohibits Hersha from banning firearms in locations such as parking lots, for example, Hersha will abide by the law.

We believe that the prevention of workplace violence begins with recognition and awareness of early warning signs and we have established procedures for responding to any situation that presents the possibility of violence.

WORKPLACE VIOLENCE DEFINED

Workplace violence includes:

- Threats of any kind
- Threatening, physically aggressive or violent behavior, such as intimidation of or attempts to instill fear in others.
- Other behavior that suggests a propensity toward violence, which may include sabotage or threats of sabotage of company property or a demonstrated pattern of refusal to follow company policies and procedures
- Defacing company property or causing physical damage to the facilities.
- Carrying weapons or firearms of any kind on company premises or while conducting company business.

REPORTING

If any associate observes or becomes aware of any of the above-listed actions or behavior by an associate, customer, consultant, visitor or anyone else, he or she should notify a manager, People Support, or supervisor immediately.

Further, associates should notify People Support or a supervisor if any restraining order is in effect or if a potentially violent non-work-related situation exists that could result in violence in the workplace.

INVESTIGATION

All reports of workplace violence will be taken seriously and will be investigated promptly. In

appropriate circumstances, the company will inform the reporting individual of the results of the investigation. To the extent possible, we will maintain the confidentiality of the reporting associate who reports workplace violence.

CORRECTIVE ACTION AND DISCIPLINE

If the company determines that workplace violence has occurred, we will take appropriate corrective action and may impose discipline on offending associates, up to and including termination. If the violation is by a non-associate, we will take the appropriate corrective action in an attempt to ensure that such behavior is not repeated.

OPEN AND DIRECT COMMUNICATION

Hersha believes that all associates, full- and part-time, have the right to voice any problems or concerns they may have. While Hersha may not be able to correct every problem brought to its attention, it's our desire to listen to our associates and to respond appropriately to all legitimate concerns.

Most of the time an associate's immediate supervisor is the person best qualified to solve an issue brought to his or her attention.

If the associate feels that the issue is not resolved or if he or she would be uncomfortable discussing the issue with his or her immediate supervisor, then it should be discussed with the next higher-level manager.

It is our policy to encourage all associates, full- and part-time, to use this communication policy, free of fear of any repercussions. All associates and managers are prohibited from thwarting an associate's attempt to take a problem to higher management. Reprimanding, intimidating or otherwise retaliating against an associate because he or she has already done so is also prohibited. Violation of the policy against retaliation will result in discipline, up to and including termination.

WHISTLEBLOWER POLICY

It is the responsibility of all directors, officers, and all Hersha associates to comply with the Hersha Code of Ethics and Conduct and to report violations or suspected violations of financial reporting and controls. This policy is proactively communicated in English and Spanish to associates, with all associates required to acknowledge they have read this policy.

The whistleblower policy is intended to encourage and enable associates and others to raise serious concerns regarding conduct in the area of handling finances or accounting practices within Hersha. No director, officer, or associate shall suffer harassment, retaliation or any adverse employment consequence for making or having made a report of a suspected violation of the Code or any local, state or federal law, rule or regulation, so long as he/she had reasonable cause and/or good faith to believe the reported conduct suggested such a violation.

Additionally, no director, officer or associate shall suffer harassment, retaliation or any adverse employment consequence for refusing to participate in an activity that would result in a violation of the Code or any local, state or federal law, rule or regulation. A director, officer, or associate who retaliates against someone because he/she has: a) made a good-faith report of a violation or b) refused to participate in fraudulent, unethical or other conduct in violation of the Code or law, is subject to discipline up to and including termination of employment or removal from his/her position. Any associate, who believes he/she has been subjected to any unfavorable treatment because of reporting a good faith complaint, should report it immediately to any of the persons listed in the next paragraph.

Any director, officer or associate who has knowledge suggesting a violation of the Code or a violation of law, should report it immediately to People Support or any department manager. All managers are required to report any such concern immediately to the Company's Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations.

At his/her discretion, he/she shall advise the President and CEO, the CFO and/or the audit committee. He/she has direct access to the audit committee of the Board of Directors and is required to report to the Committee at least annually on his/her compliance activity.

Alternatively, associates can also report any violations to Hersha's anonymous, confidential, independent, reporting hotline available 24/7. This hotline is targeted towards associates, though it is also available to customers.

BUSINESS ETHICS AND ASSOCIATE INTEGRITY

We are committed to maximizing stakeholder value, providing continued growth, expanding career opportunities and ensuring highly ethical practices. With a Code of Ethics policy overseen by the Board and senior executives, we require that all our associates, hotel operations, suppliers, and vendors adhere to standards that do not compromise our value or the integrity of the organization. This includes prohibiting the use of child labor and forced labor.

The ethics policy is described in a broad manner and is intended to be a guide in making judgments when other types of conflict arise. Each Hersha associate must protect the integrity of his or her actions and maintain objectivity in dealing with others. Associates must avoid violating ethical principles and values, even if they think doing so may somehow benefit Hersha. Not only must associates maintain their mental attitude of objectivity, others must also perceive them as being objective. Therefore, we do not permit Hersha associates to have financial or personal relationships with individuals or organizations that reasonable people could perceive as inconsistent with the associate's ability to act with integrity, objectivity and in the best interest of Hersha.

Violations of our Code of Ethics are deemed to be a serious breach of Hersha's management philosophy and will be subject to disciplinary action, up to and including termination. It is a violation of our ethics policy for any associate or their family members to:

- Accept or give any gifts (other than insubstantial gifts normally given in the course of business relationships), bribes, and/or facilitation of payments.

- Invest in any business with which that associate deals directly in the course of his or her work for Hersha, or over which the associate exercises influence in the business's relationship with Hersha.
- Buy or sell Hersha stock based on nonpublic information.
- Misuse Hersha funds for personal benefits (e.g. for any political purposes); corporate funds are never used directly for lobbying and campaign contributions, though we are members of several industry associations which do have a fee for membership.
 - a. Please review our [latest Proxy](#) for information on indirect political contributions through membership in industry associations.

All associates are required, on an annual basis, to complete written confirmation they have read and understood our Code of Ethics. To that end, we did not have any significant bribery, fraud, or corruption issues in 2019 or in any prior reporting years. We had no legal actions for anticompetitive behavior, anti-trust, and monopoly practices in 2019 or in any prior reporting years.

Additional information on our Code of Ethics is available on Hersha's website under [Governance Documents](#).

INSIDER TRADING AND USE OF CONFIDENTIAL INFORMATION

Engaging in securities transactions such as the trading of stocks, either personally or on behalf of others, while in possession of material, nonpublic information is a violation of the law. Communicating nonpublic information to others who then engage in securities transactions based upon such information is also illegal and may lead to criminal and civil penalties. These activities are commonly referred to as "insider trading."

No associate shall use or disclose any confidential information; whether or not it's material nonpublic information that he or she obtains as a result of association with Hersha. Prohibited use of information includes, but is not limited to, engaging in a stock or other securities transaction based upon confidential or material nonpublic information or communicating confidential or material nonpublic information to persons outside Hersha who may purchase or sell securities while in possession of such information. Generally speaking, "material nonpublic information" is information not available to the general public that, if known to outsiders, might affect their investment decisions.

Examples of confidential or material nonpublic information may include sales or earnings figures, information concerning major contracts, proposed acquisitions or mergers, finances, earnings, or Hersha's positions on controversial issues.

HEALTH AND SAFETY

Hersha strives to maintain safe and comfortable work environments (including fleet safety) through comprehensive risk management programs created and implemented to prevent and reduce workplace injuries and illnesses across all Hersha facilities and operations. It is the policy of Hersha to maintain a safety and health program conforming to the best practices within our industry. Our program emphasizes injury and illness prevention on the shared parts of management and employees. We promote cooperation in all safety and health matters, not only between management and employees, but also between each employee and their co-workers. We strongly believe that only through a cooperative effort can a safety program in the best interest of all be established and preserved.

Highlights from our occupational health and safety program include:

- Ergonomics & wellness resources
- Risk evaluations/worksites evaluations
- Early identification of safety & health hazards
- Accident investigations
- Implementation of hazard controls
- Robust safety training delivered in various methods
- Workplace stretching programs
- Anti-slip shoe program
- Implementation of transitional duty and modified duty programs
- Control of costs associated with industrial accidents and safety improvement
- Safety incentives & reinforcements
- Oversight of safety committee meetings required to be held at every hotel within our portfolio
- Safety newsletters
- Ongoing & transparent communications with all injured workers
- Policies and procedures manual
- Self-insured worker's compensation program

DRUG-FREE AND ALCOHOL-FREE WORKPLACE

It is the intent of Hersha to maintain a workplace that is free of drugs and alcohol and to discourage drug and alcohol abuse by associates. We have a vital interest in maintaining safe and efficient working conditions for associates. Substance abuse is incompatible with health, safety, efficiency and the mission of Hersha. Associates who are under the influence of illegal drugs or alcohol on the job compromise Hersha's interests, endanger their own health and safety and the health and safety of others, and create an inefficient, unproductive or disruptive working environment.

It is very important for our associates to work safely, productively and effectively every day. The abuse of alcohol and/or use of illegal drugs greatly reduce associates' ability to work productively and efficiently and threaten the safety and security of all associates.

To further our interest in avoiding accidents, to promote and maintain safe and efficient working

conditions for our associates and to protect our business, property and operations, Hersha has established this policy concerning the use of alcohol and drugs. As a condition of continued employment with Hersha, associates must abide by this policy:

- Hersha strictly prohibits the illegal manufacture, distribution, dispensing, transportation, possession and/or use of any unlawful substance or alcohol while working, operating Hersha-owned vehicles, performing Hersha business or on the company's or client's premises. However, when authorized, associates may consume or possess alcohol at Hersha functions, which may be hosted in-house, subject to specific communicated limitation and only when served by an authorized company server. Associates must have obtained the legal age to consume alcohol in order to be served. These privileges may be withdrawn if abused. Associates are also expected to use all lawfully prescribed medication in a safe and lawful manner.
- Associates will be subject to disciplinary action for violations of this policy, including but not limited to immediate termination. At our discretion, Hersha may require associates who violate this policy to successfully complete a drug abuse assistance or rehabilitation program as a condition of continued employment.
- Hersha will comply with the Americans with Disabilities Act as it relates to an associate voluntarily submitting to treatment prior to violating the policy provisions above.
- When there is a reasonable belief that illegal drugs or alcohol are present in a company-supplied locker, desk or other containers, an inspection may be conducted to confirm that belief.

SMOKING

Associates are permitted to smoke cigarettes and electronic smoking devices only in a designated exterior area during breaks. Spent cigarettes and other tobacco waste should be disposed of properly in the receptacles provided for fire safety and aesthetic reason.

CYBERSECURITY

At Hersha, we take cybersecurity seriously. We have a robust Information Technology (IT) Security Policy that defines and outlines our high-level security principles, and the responsibility of each associate for the security and protection of electronic information resources over which associates have control. These resources include all network devices, computers, software, and corresponding data transmitted across these systems. Security measures include those that ensure the physical and logical integrity of these resources to protect against threats such as unauthorized intrusions and access, malicious misuse, or inadvertent compromise of data. All associates are required to reaffirm their understanding and acknowledgement of our IT Security Policy on an annual basis.

Any violations of this policy should be reported to the office of the Information Security Officer (ISO) or through Hersha's Information Security Department.

STANDARDS OF CONDUCT

It is the general principle that we conduct ourselves in manners consistent with our stated values, societal norms, and guest service expectations throughout the course of employment. While it is impossible to list every type of inappropriate conduct, the following list, by way of illustration, should serve as a basic guide to prohibited conduct in all matters related to work. We ask that all suppliers and vendors on-property also adhere to these standards of conduct. Additional rules may be communicated through policies issued at your property or office location.

Associates should be aware that a violation of standards of conduct, including conduct that is disruptive, unprofessional, illegal or in violation of our work rules such as those examples included here, may result in disciplinary action, up to and including ending the employment relationship. The following rules are not intended to prevent you from engaging in concerted activities concerning your working conditions.

1. Insubordination or failure to carry out job assignments, requests or instructions from any manager or refusal to comply with the same.
2. Failure to perform job or work assignments satisfactorily, safely or efficiently.
3. Attempted or completed theft (unauthorized removal) or misappropriation (unauthorized storage, transfer or use) of guest, associate or company property.
4. Abusing, damaging, defacing or destroying company property or the property of guests or other associates.
5. Using company assets for personal gain.
6. Excessive, unexcused or unprotected absenteeism or lateness, including failure to provide proper notification of absences or lateness unless such failure is protected by law.
7. Supplying false or misleading information when applying for employment or at any time while employed, or falsifying work records.
8. Dishonesty.
9. Discrimination against a guest or fellow associate or any act of harassment because of actual or perceived race, color, national origin, ancestry, sex, gender, gender identity, pregnancy, childbirth or related medical condition, religious creed, physical disability, mental disability, age, medical condition, marital status, veteran status, sexual orientation, genetic information, or any other characteristic protected by federal, state or local law.
10. Engaging in disorderly conduct, horseplay, threatening conduct or otherwise interfering with another associate's work activities.
11. Saying, publishing or distributing maliciously false statements concerning your property, Hersha or their guests or associates.
12. Violation of any safety rules, including failure to report an accident, injury or damage to company property or engaging in any activities that might endanger the safety of others.
13. Engaging in excessive personal business during working hours.
14. Violation of Hersha's Email, Voicemail and Internet Usage policy.
15. Loafing, sleeping on the job, or intentional restriction of output.

16. Gambling of any kind on company premises at any time.
17. Using abusive, threatening, vulgar, profane or obscene language, engaging in disturbances of any kind or similar acts toward guests, supervisors, managers, or fellow associates.
18. Failing to give a high degree of service and courtesy to any guest or co-worker, i.e. rudeness, negligence, and carelessness, soliciting gratuities, commenting on the amount of gratuity or altering a guest check.
19. Leaving your department or work area during your working time without permission from management or being in locations other than assigned work areas during your working time.
20. Divulging information about business plans, guest lists or other company confidential information to a third party. This policy does not prevent you from discussing your working conditions with outside individuals or government agencies.
21. Abuse of telephone privileges or personal visits.
22. Tape-recording or videotaping conversations or actions of guests or associates without authorization, unless such actions are protected by law or the NLRA.
23. Failure to follow any policies or procedures outlined in the Code of Conduct or in any supplemental materials, including policies on discrimination, harassment, and retaliation; workplace violence; a drug-free and alcohol-free workplace; and business ethics and associate integrity.

PERFORMANCE COACHING

All associates are required to meet acceptable performance standards and comply with Hersha policies at all times. When associates fail to meet these standards or violate rules or policies, they may be subject to discipline.

Where appropriate, Hersha provides progressive discipline for violations of the standards of conduct. However, the imposition of one form of discipline in one instance does not mean that a different form of discipline is not warranted in another instance.

One step in progressive coaching is generally counseling/verbal warning. Counseling is used when an associate displays unacceptable behavior or when his or her performance is not meeting job requirements. Counseling is normally done as soon as possible after the infraction occurs, and the associate is given an opportunity to correct the problem within a reasonable amount of time. Often, these sessions are recorded as a verbal notice to improve performance or correct behavior that is placed in the associate's file.

- A written notice is issued when a supervisor believes a situation to be too serious for counseling, or when past counseling has been ineffective. Written notices will typically include the specific reason for the coaching; the policy or procedure, if any, violated, and the means by which one can improve performance or correct behavior. Depending upon the severity and frequency of conduct or performance issues, additional written notices may be issued up to a final notice in an effort to communicate the seriousness of the employment situation, but multiple and/or final notice may not be required in all cases whereby the employment relationship is ended by Hersha.

All notices are to be placed in the associate's file. Written notices may be in the form of the following:

- Performance Improvement Notice: Used for simple statements of behavior or performance issues, violation of policy, etc.
- Performance Improvement Plan and Sales Success Plan: Used to communicate very specific shortfalls in performance along with desired outcomes and time frames in which to improve. These plans are not intended to be short-term in nature but to drive sustained change throughout future employment.
- Attendance Improvement Notice: Used to address attendance

Written notices are to be signed by the associate to acknowledge the feedback. Associates may provide written commentary to a coaching notice, which will be placed in the associate's file.

A supervisor may make a recommendation to People Support to end the employment relationship of an associate for serious misconduct/poor performance or conduct that has not been remedied through the use of verbal counseling and written notices. However, consistent with the at-will nature of employment, Hersha reserves the right to end the employment relationship with an associate upon the first offense, or for no reason.

Correction of any advised poor performance or satisfactory completion of any performance probation or trial period does not alter the at-will status of employment. Hersha or the associate reserves the right to end employment at any time with or without cause, for any or no reason.

In any circumstances, a supervisor can only recommend ending the employment relationship of an associate. They must seek final approval from an authorized People Support representative before taking such action.

CONSENSUAL RELATIONSHIPS

We realize that at times, consensual romantic or sexual relationships may develop between associates. Hersha has no desire to interfere unnecessarily with the private lives of its associates or their relationships with others but understands living and other relationships have the potential to create a conflict of interest in the workplace.

Personal and consensual romantic or sexual relationships involving an associate who has supervisory authority and one who does not can result in actual or perceived favoritism, disruptions in the workplace, lowered morale and actual or perceived conflicts of interest. Accordingly, any supervisory associate involved in a consensual romantic or sexual relationship with another associate is required to report the relationship to his or her, direct supervisor or People Support representative as soon as the relationship begins.

All such relationships will be carefully considered by Hersha. If Hersha believes the relationship creates a conflict of interest, it will first allow the parties in the relationship the opportunity to resolve the conflict. If the parties cannot resolve the conflict the company may take action as it deems appropriate, including but not limited to, a change in responsibilities of the individual(s) involved, transfer to another shift, location or position within the company or if necessary,

ending the employment relationship.

If a supervisor fails to report his or her involvement in a consensual romantic or sexual relationship with another associate, he or she may be subject to disciplinary action, up to and including Hersha ending the employment relationship.

Hersha will not tolerate favoritism toward an associate because of living or dating relationships with another associate or adverse action against an associate because of dating, or the end of a dating relationship. If associates experience any unwelcome conduct, they should report it in accordance with the company's prohibited conduct policy.

EMPLOYMENT OF RELATIVES

Relatives of employees may be eligible for employment with Hersha only if individuals involved do not work in a direct supervisory relationship, or in job positions in which there is a conflict of interest. The company defines "relatives" as spouses, domestic partners, children, siblings, parents, in-laws, step-relatives and members of the same household even if not a relative by blood or marriage. Present employees who marry or become domestic partners will be permitted to continue working in the job position held only if they do not work in a direct supervisory relationship with one another or in job positions involving a conflict of interest. No associate can provide approval signature of a check, cash or other business transaction involving a relative, have access to confidential information about a relative or engage in other work relationships that might violate security requirements. One relative cannot supervise or audit the work of another relative. In the event a change in job or the hiring of an associate creates a situation whereby this policy would be violated, both parties are required to report the conflict to their direct supervisor or the next level manager if the supervisor is cause for the conflict.

SUPPLIER CODE OF CONDUCT

Many of our expenses reflect the purchases of products through our supply chain. Furthermore, all Hersha properties are contracted to purchase at least 80% of their products through our contracted purchasing vendor. Hersha has ensured that this vendor has a supplier conduct guide and policies in place for most of their suppliers and provides annual updates on the progress they're making on sustainable procurement objectives. Topics within this supplier conduct guide include:

- Suppliers will respect the principles within the UN Universal Declaration of Human Rights
- Suppliers will adhere to all local and national labor laws – specifically those relating to discrimination, minimum wage, overtime, and maximum hours worked
- Suppliers allow workers to freely terminate employment with reasonable notice as all work is voluntary and not forced
- Suppliers will prohibit use of child labor, as established by the International Labour Organization's Minimum Age Convention

- Suppliers are responsible for maintaining a safe and healthy work environment
- Suppliers will take efforts to minimize and reduce their operational impact on the environment
- Suppliers will follow all regulation regarding the handling, recycling, and disposal of all waste types

COMMUNICATION PROGRAMS

A high level of communication is an integral part of our associate relations policy and our ability to run successful properties.

BULLETIN BOARDS

We use bulletin boards at Hersha properties and our Corporate Offices to communicate official government information on equal employment opportunity, wage and hour, health and safety and other issues. Bulletin boards are also used to communicate information regarding Hersha policy and business announcements, including but not limited to, safety rules, health items, benefits programs, letters of compliment, meeting notices, special events and other important associate information.

ENGAGEMENT SURVEYS

Confidential associate engagement surveys are conducted annually and are provided to all associates. We have been using engagement surveys for the past 7+ years. These surveys provide associates with an opportunity to voice their concerns, ideas and suggestions so that company leaders can improve work experiences and/or business operations. Associates and leaders are prohibited from interfering with another associate's effort to complete a survey or with the confidentiality of that survey.

ASSOCIATE APPRECIATION & PROFESSIONAL DEVELOPMENT

RECOGNITION PROGRAMS

We appreciate our associates' efforts, thought and support. Associates will receive recognition through compliments from managers, performance evaluations and communication of department results. Hersha may also conduct formal recognition programs from time to time to recognize special contributions.

TRAINING

100% of associates begin their employment with a training period and continue to receive

trainings over the course of their time at Hersha.

The training scope will also include:

- Hersha's human rights and anti-human trafficking policies, specifically on human trafficking awareness and prevention programs, as well as measures to prevent sex tourism, including, customer information and education
- Hersha's diversity, discrimination, harassment, and retaliation policies.
- Hersha's business ethics and anti-corruption policies, which covers topics within our ethics policy, within the Code of Conduct, as well as our Code of Ethics. This Code of Ethics prohibits employees from receiving and giving gifts and bribes. Trainings on these topics are repeated with associates on an annual basis.
- Technology security awareness and compliance. Trainings on these topics are repeated with associates on an annual basis.
- Extensive trainings specifically tailored to the major job functions and roles and provided both by Hersha and by the brands we work with.

For all associates, this orientation/training period will extend through the first 90 days of employment, and may be extended in additional 30-day increments as needed. Additional training regarding business ethics, technology, and other policies are repeated with associates on an annual basis.

PERFORMANCE ASSESSMENTS

Consistent with our value of Only Excellence, Hersha believes in a culture that supports and measures the performance of all associates. We're proud to provide sector-leading programs in regards to our performance evaluations, appraisals, and feedback processes. For example, we view performance feedback as a continuous process between associates and their supervisors, and therefore encourage associates to solicit constructive, performance feedback for their professional development.

During associates' first 90 days of employment, their performance will be monitored and evaluated by their supervisor and other managers. This period of evaluation will identify both their strengths and areas in need of improvement. If there are areas where associates need to improve, their supervisor will try to point them out and help associates overcome them. This may include a discussion around a tailored developmental career plan.

Additionally, on an annual basis, associates will receive a formal evaluation of your job performance and your alignment of behavior to our core values. The evaluation will include a summary of their strengths and weaknesses and the objectives they need to achieve to continue being successful in their position. Performance evaluations are one way to give associates and their supervisor an opportunity to discuss mutual goals, objectives, problems and solutions. Some of the factors that may be considered in evaluating performance and coaching include, but are not limited to:

- Job knowledge
- Quality and quantity of work
- Cooperation with Supervisors and fellow associates

- Dependability
- Adaptability
- Leadership and initiative
- Willingness to accept responsibility
- Attendance
- Punctuality
- Judgment

A performance evaluation may serve as a basis for a wage adjustment or other employment action; however, a performance evaluation does not necessarily mean a wage adjustment will be made.

PROFESSIONAL GROWTH & ADVANCEMENT

There are many opportunities for advancement with Hersha. We believe that associates have the chance to increase knowledge, skills, responsibility and earnings. We would like to see associates improve and we encourage them to do so. Naturally when our associates excel, we all excel. Their progress is based on individual merit and, when possible, their hard work, ability and skills will be recognized.

Specifically, Hersha has formalized, comprehensive programs dedicated to succession planning and leadership development at multiple levels. Succession plans and development processes are in place for all executives and senior leadership. Annual performance reviews held for each employee additionally highlight goals for development and put in place action plans toward achieving them. As a result of this growth-mindset, 14% of our workforce was promoted in 2019.

In selecting candidates for available positions, we will assess the candidate's eligibility in the light of his or her accomplishments, experience, specific abilities and attendance/personnel record, as well as anticipated capacity. Associates who have unsatisfactory performance appraisal reports may not be considered for promotion or transfer.

OVERVIEW OF BENEFITS

At Hersha, success begins with our associates. We make sure our associates have the tools and training they need to improve their skills every day. At Hersha, we reward our associates with the kinds of benefits and opportunities you'd expect from an industry leader. As such, there have been no major controversies linked to our wages and labor standards. Hersha pays subsistence wages that cover at least the minimum resources necessary for long-term wellbeing.

All employees are eligible for and offered to elect to have performance-based compensation paid in stock. For three years, all executive officers have elected for all performance-based compensation be paid in shares that are subject to vesting requirements. Additionally, on a per-request basis, we offer flexible scheduling options for associates, including work from home arrangements.

In addition to excellent working conditions and competitive pay, Hersha provides a complete

range of non-salary benefits to all associates, including full-time, part-time, and contract associates. We believe that our benefits are competitive, and we maintain this standard by periodically reviewing each benefit program. Benefits offered to all associates include (but are not limited to) health insurance, dental insurance, a savings and retirement plan, life insurance, paid time off, family and medical leave, associate assistant programs, professional development training programs (including managerial and partial monetary support for degree programs and certifications relevant to the associate's role), and a lodging discount program. Associates can find out more by reading the ABC (Associate Benefit Choices) booklet, available online at www.hershacareers.com.

TOTAL COMPENSATION

Recognizing our associates for their hard work, providing for their health and the well-being of their family members, opening avenues of growth and career development, and easing the balance between work and personal life are all part of our associate-centered environment.

In addition to our unique and motivating work environment, Hersh's total compensation package includes:

- Medical, Dental, Life, and Disability Group Insurance
- Annual Salary Reviews (determined by the competitive market pay rate for associates' job, skills, experience, and job performance)
- 401(k) Retirement Savings Plan
- Continuing Education/Tuition Reimbursement
- Hotel Room and Food & Beverage Discounts
- Ongoing Training, Education and Career Development
- Annual Flu Shot Clinic
- Room and Food Beverage Discount
- Recognition Programs
- Paid Time Off
- Associate Assistance Program
- Leave of Absence