

HUA ZHU GROUP, LIMITED WHISTLEBLOWER POLICY

According to HUA ZHU GROUP (the “Company”)’s operating targets, policies and regulations, and the rules and standards by the U.S. Securities and Exchange Commission and regulatory authorities, the policy is established to prevent fraud, enforce corporate governance and internal control, reduce operation risk, standardize operating practice, protect company and shareholders’ rights and interests as well, and ensure the achievement of company goals and sustainable development.

The Company is committed to promote compliance with laws, rules and regulations that govern its business operations and to encourage its employees to report unlawful conduct. Below are the procedures by which employees may report complaints or concerns and the procedures by which the Company handle such reports, as well as, the Company’s policy prohibiting unlawful retaliation or discrimination against employees who submit such reports.

The Vice President of Internal Control and Audit (the “VPICA”) of the Company is responsible for compliance issues and the update of this Whistleblower Policy.

I. ROLES AND RESPONSIBILITIES

The top executives are responsible for the occurrence of fraud behavior within the Company. Meanwhile, they should establish, perfect and carry out the whistleblower processes, including anti-fraud procedures such as risk assessment and fraud prevention, and control procedures and self-assessment. The Audit Committee will provide anti-fraud guidance for the whole company. As the permanent department to perform anti-fraud inspections, Internal Audit Department is in charge of the inter-departmental whistleblower related work within the Company. Department heads are expected to report and investigate any fraud matters that take place in their own department.

II. PREVENTION AND CONTROL

The Company’s whistleblower scope mainly includes: advocate a righteous and honest company culture, and create an anti-fraud corporate environment; assess the fraud risk then establish the control mechanism and a set of procedures, in order to lower the occurrence of fraud issues. In addition, under the monitoring of Board of Directors and Audit Committee, the Company should also set up its permanent department to accept, investigate, report and propose solutions for whistle-blowing.

Advocating a righteous and honest corporate culture can be implemented through, but not limited to, below manners,

- i. Top executives are expected to set examples by their own behaviors, and lead to follow the Company’s rules and regulations.

- ii. The Company's whistleblower policies, procedures and related measurement should be effectively delivered in diversified forms, both inside and outside of the Company, like published in staff manual, announced through relevant policies and regulations, and disclosed through intranet or internet. It is the Company's responsibility to ensure that all employees can receive necessary training and will thoroughly understand the concepts related to Code of Business Conduct and Ethics, as well as help employees to differentiate legal and integrity from unlawful and dishonest behaviors. In additions, to raise ethical standards and skills consciously and effectively, all employees should be aware of the serious position that the Company takes in fraud prevention and their own roles and responsibilities in whistleblower.
- iii. New employees should receive anti-fraud training and ethical education. Meanwhile, they should read and sign the Company's Code of Business Conduct and Ethics. The training materials should be updated on annual basis, and all the staffs are required to re-sign the Code of Business Conduct and Ethics if there is any change.
- iv. The Company encourages employees to obey the policies and rules in daily work and routine transactions. Besides, the Company is aimed to help employees properly deal with interest conflicts, and face the tempts from unethical benefits. The Company should properly inform all direct or indirect stakeholders (employees, clients, suppliers, regulators, shareholders, etc.) about its observations of laws and disciplines, and its practices of keeping honest and moral.
- v. For the unethical and unlawful behaviors that noted, employees can whistle-blowing in real-name or anonymously. The Company will formulate specific and effective policy with respect to continuous education and punishment.

III. REPORTABLE EVENTS

Employees may submit complaints, concerns, and information regarding the Company's accounting standards, accounting controls and audit practices, corporate fraud, or violations of laws committed by the Company, its employees or its agents (collectively, the "Reportable Events") to the Audit Committee of the Company (the "Audit Committee") and/or the VPICA.

The Reportable Events may include, without limitation, the following:

- i. Any behavior that violates the Company's Code of Business Conduct and Ethics;
- ii. Acceptance of bribery or kickback and misappropriation or encroachment of property;
- iii. Breach of rules or wrongful performance of duties, causing material economic loss and intentional concealment of facts of such losses;

- iv. Conflict of interest of any employee, including any member of top executives;
- v. Misrepresentation or creation of fake document in order to achieve personal benefits;
- vi. Fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- vii. Misrepresentation or false statement to or by a senior officer or an accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company;
- viii. Deviation from full and fair reporting of the Company's financial condition;
- ix. Deficiencies in or noncompliance with the Company's internal accounting controls; and
- x. Deficiencies in or noncompliance with other aspects of the Company's internal control.

IV. PROCEDURES FOR SUBMITTING COMPLAINTS

The Company promises to provide protection for whistleblowers. The Company encourages employees to provide their name when they submit a complaint, but employees can also report anonymously.

Employees should report the situation to their immediate head or submit a complaint directly to the Company's human resources department. If the employee faithfully believes that such fraud or corrupt acts (please refer to Appendix I. Reportable Events for details) have not diminished after reporting to his/her head or the human resources department or is worried that such a complaint would invite retaliation from a senior, he/she can report to VPICA or the Audit Committee by contacting:

By Hotline: 021-61959528

By E-mail: jubao@huazhu.com; or

By letter or in-person meeting with VPICA .

The hotline or Email will be directed to the VPICA. Any department head or human resources director, upon receiving any complaint, shall report and file such complaint via hotline and email in accordance with the same handling procedure.

Any Reportable Event involving the chief executive officer, the chief financial officer, the

chief operating officer, vice presidents or other senior officers of the Company (the “Senior Executives”) should be immediately reported by the VPICA to the Audit Committee.

In general, within five working days, the Audit Committee and/or the VPICA shall acknowledge the receipt of complaint to the whistleblower, if his/her name is provided. When submitting a complaint, the whistleblower has the responsibility to co-operate with the Company’s authorized investigator. The whistleblower should also try his/her best to provide evidence regarding the Reportable Event and as much detailed information as possible so that the Company can perform necessary check and investigation before taking any action against non-compliance. The supporting evidence may be in paper or electronic form. Such evidence may include external or the Company’s internal documents, emails or recording material, etc.

V. HANDLING PROCEDURES

All complaints shall be handled in accordance with the procedures outlined in Appendix I attached hereto. Any complaint against Senior Executives shall be reported by the VPICA to the Audit Committee, which shall handle the complaint. When investigation is considered necessary, the VPICA or the Audit Committee may assign an internal auditor, a legal counsel of the Company or human resources personnel to launch an investigation to obtain more details of the Reportable Event and supporting evidence. The whistleblower may have a friend accompany him/her during the process of investigation.

All complaints shall be kept confidential to the extent permissible under applicable laws. They will be filed in the form of Compliant Log attached hereto as Appendix II in order to keep track of the status and results. Access to the Compliant Log is restricted to the VPICA and the Audit Committee.

A respondent of a complaint must be informed of the cause and supporting evidence of the complaint. The respondent has the right to defend himself/herself during the investigation.

Investigation of a complaint must be concluded within fifteen working days commencing from submission. If a complaint involves complex information issues, the handling period may be extended for a reasonable period. A whistleblower must be informed of the outcome of investigation regarding the complaint made by him/her, if his/her name is provided. If the whistleblower is not satisfied with the outcome of the investigation, he/she is entitled to appeal to the Audit Committee.

Information in connection with submission, investigation and conclusion of all complaints (including those dismissed after preliminary examination) must be reported to the Audit Committee on a quarterly basis. An complaint relating to illegal conduct of a Senior Executive must be reported by VPICA to the Audit Committee on an urgent basis based on the seriousness of the allegation.

All conversations, calls and reports made under the procedures in good faith will be taken seriously. However, employees who file reports or provide evidence that they know to be false or without a reasonable belief in the truth and accuracy of such information will not be protected and may be subject to corrective action.

VI. POLICY PROHIBITING UNLAWFUL RETALIATION OR DISCRIMINATION

It is the Company's policy to adhere to all applicable laws protecting its employees against unlawful discrimination or retaliation as a result of their lawfully reporting complaints or participating in investigations regarding the Reportable Events. In particular, the Company prohibits any form of unlawful discrimination or retaliation or taking any adverse action against employees for engaging in the following conduct:

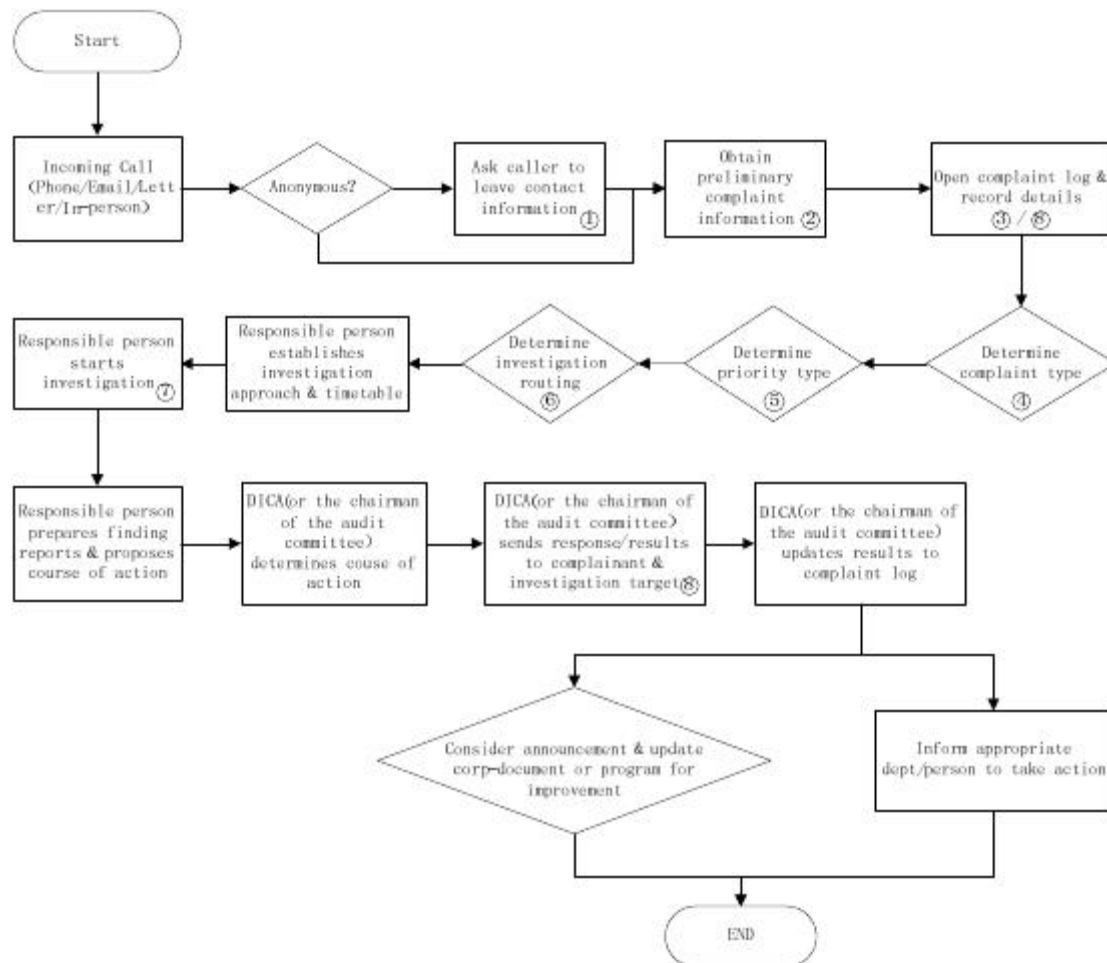
- i. Providing information or otherwise assisting a regulatory or law enforcement agency or any supervisor in an investigation regarding any conduct that the employee reasonably believes violates laws relating to securities fraud, any rule or regulation of the U.S. Securities and Exchange Commission, or any law relating to fraud against shareholders.
- ii. Filing, testifying, participating in, or otherwise assisting in any proceeding relating to an alleged violation of laws relating to securities fraud, any rule or regulation of the U.S. Securities and Exchange Commission, or any law relating to fraud against shareholders.

Employees who believe that they have been subjected to any conduct that violates this policy may file a complaint using the procedures outlined above. The Company strictly prohibits retaliation on whistleblowers. Any employee who unlawfully releases whistleblower's information or discriminates or retaliates against the whistleblower may be dismissed and have the labor contract terminated. Violations of law will be directed to legal organs.

This Whistleblower Policy is approved by the Audit Committee with authorization of Board of Directors and becomes effective upon the approval. Its amendment shall be approved by the Audit Committee of the Company.

Appendix I — Handling Procedures

Whistleblowing Procedures
Version 1.0



Notes:

- ① Try to identify communication channel for future contact and possible information verification purpose
- ② Who / What / When / Where / evidence / caller expectation
- ③ Assign complaint number & log details of complaint
- ④ Ethic (conflict of interest) / accounting fraud / occupational fraud / commercial fraud, etc.
- ⑤ High/medium/low priority of response
- ⑥ Possible routing : HR/legal/Internal audit, etc.
- ⑦ Contacting complainant & review of books & records and contacting investigation target to verify facts or obtain additional information
- ⑧ Response represents disciplinary action against complaint target / dismiss complaint / identifying the need to improve
- ⑨ Complaint log is secured in a safe place & accessibility restricted to VPICA and the Audit Committee

