

CONFLICTS OF INTEREST AND BUSINESS COURTESIES

Toolkit

Introduction

Hilton relies on the sound judgement of its Team Members to ethically handle conflicts of interest and to follow Hilton policy and the law in giving and accepting business courtesies.

Team Members are expected to conduct their relationships with each other, Hilton, and outside organizations with objectivity, honesty and integrity.

This Toolkit provides guidance to help Team Members identify, handle, and disclose conflicts of interest and business courtesies.

How can this Toolkit help?

This Toolkit is designed to protect your and Hilton's integrity by helping you avoid any appearance that our business conduct is based on favors, personal relationships, or other outside or personal influence, and by ensuring that, when we make decisions and conduct business on behalf of Hilton, we are doing so in Hilton's best interests, using objective and unbiased standards.

This Toolkit does not cover circumstances where, at your own expense, you give a gift to someone based solely on a family relationship or friendship. In these situations, however, you must still disclose potential conflicts of interest if they involve Hilton. In addition, you may not use personal funds to provide business courtesies involving Hilton business that are otherwise considered prohibited.

Who should use this Toolkit?

This Toolkit is intended for all Team Members of Hilton Worldwide Holdings Inc. and its subsidiaries ("Hilton") and the Team Members of all hotels owned, operated or managed by Hilton.

Any questions or concerns about Business Courtesies and Conflicts of Interest or this Toolkit, should be directed to the Hilton **Legal Compliance Team** at The_Legal_Compliance_Team@hilton.com.

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CONFLICTS OF INTEREST

What is a Conflict of Interest?

A conflict of interest occurs when your personal interests interfere or appear to interfere with your duties on behalf of Hilton. Your business decisions on behalf of Hilton must be governed by sound and objective judgment, free from the influence of personal interests.

You have a conflict of interest when you:



Or your family member receives a financial or other significant benefit from a third party as a result of your position at Hilton;



Have the opportunity to influence Hilton's business, administrative, or other decisions in a manner that leads to personal gain or advantage; or



Have an existing or potential financial or other significant interest which impairs or might appear to impair your judgement in carrying out your responsibilities to Hilton.

The term "family member" means any spouse, domestic partner, parents, siblings, children, any other relative who resides in the same household and any other familial relationship that could create the appearance of a conflict.

Disclosing Conflicts of Interest

As a general rule, you are required to disclose and ethically handle actual or potential conflicts of interest involving Hilton, and remove yourself from a position of decision-making authority with respect to conflicts involving Hilton. To make a disclosure, simply go to the Disclosure Central page available on the Lobby at the [Disclosure Central](#) page.

When deciding what situations or relationships you should disclose, consider the perspective of an outsider. If an outsider would view the situation or relationship as favoritism or an apparent or actual conflict of interest, then the situation or relationship should be disclosed. Additionally, if you are not sure whether a situation or relationship presents a conflict, you should disclose. Full disclosure protects both Hilton and Team Members and allows Hilton the opportunity to mitigate the harm from any conflicts.

Below are examples of potential or actual conflicts that you should disclose. The list below does not include every possible scenario where a conflict of interest might arise, but is intended as guidance:

- 1** Personal investments, if you are making decisions for Hilton that concern a company in which you or a family member has a personal financial interest, such as where, for example, the company in which you have a personal interest is, or seeks to become, a supplier to Hilton.
- 2** Outside employment, if the other company does or seeks to do business with Hilton.
- 3** Using your position or relationship within Hilton to promote your own interests or those of your family members, including use of confidential information acquired in the course of employment at Hilton for personal benefit.
- 4** Approving contracts with business partners in which you or your family members have a significant financial or other interest or relationship, particularly if you are in a position to influence major decisions, are responsible for review, negotiation and approval of contracts, or otherwise direct Hilton's business dealings with that business partner.
- 5** Serving on the Board of Directors of any outside, for-profit organization.
- 6** Directly or indirectly leasing, renting, trading, or selling real estate or personal property to or from Hilton.
- 7** Using or taking Hilton resources, including facilities, equipment, personnel, and supplies, for private use or other unauthorized non-Hilton activities.
- 8** Personally accepting anything of value from business partners that have business/contracts either pending before or just executed with Hilton.

Examples regarding Conflict of Interests

INVESTMENTS		RELATIONSHIPS AND FAMILY		HILTON RESOURCES	
OK	NOT OK	OK	NOT OK	OK	NOT OK
Owning a financial interest in a company or fund related to travel or hospitality	Owning a financial interest in a company that does or is seeking to do business with Hilton	Recommend a friend or a family member to join Hilton without your involvement or influence	Recommend a friend or a family member to contact Hilton in a capacity where your influence could help	Check on friends and family rates through GO HILTON for a relative or friend	Using Hilton resources for private use, personal gain or other non-Hilton activities

Resolving Conflicts



Once you have disclosed a conflict of interest situation, the **Legal Compliance Team** will create appropriate controls, which will vary depending upon the particular facts.

In some instances, any risk to Hilton's interests may be sufficiently remote that the Company need only remind you to guard against inadvertently disclosing confidential information to the other party. In other situations, stronger controls, such as removing the Team Member from a position of decision-making authority with respect to the conflict situation, may be required.

The Legal Compliance Team will work with the Team Member to ensure that Hilton's interests are appropriately protected.

Special Circumstances



Relationships with co-workers

At Hilton, employment-related decisions, such as hiring, promotion, and personnel evaluations, must be made without favoritism or even the appearance of favoritism. Working with family members or those with whom you have a romantic relationship can raise questions regarding confidentiality, objectivity, and integrity in our work relationships.

For this reason, unless contrary to local law, family or romantic relationships between co-workers, where there is a direct or indirect reporting relationship or the Team Members are in the same business group or at the same hotel, should be promptly disclosed.



Business Opportunities

You must not engage in any activity that competes with Hilton. You must also not take for yourself business or financial opportunities that are discovered through your position at Hilton without first offering the opportunity to Hilton. If Hilton may have an interest in an opportunity or investment that you learn of through your position at Hilton, before you act on the opportunity, you must first disclose the opportunity to the Legal Compliance Team and obtain approval.

BUSINESS COURTESIES

What are Business Courtesies?

Business courtesies include any item or benefit that has actual or perceived value such as gifts, entertainment, meals, prizes, complimentary rooms, upgrades, sporting event tickets, concert tickets, prizes, discounts, coupons, or Hilton Honors points or status.

Providing or accepting occasional, modest gifts, entertainment and other business courtesies can create goodwill and help strengthen our working relationships with business partners. However, business courtesies can also create risks. Inappropriate business courtesies can cause conflicts of interest, implicate anti-bribery and other laws, and harm our relationships with our business partners and our reputation. And, of course, we do not bribe, and we avoid even the appearance of bribery.

Below are examples of business courtesies that are **never permissible and must be disclosed if received:**



Cash (other than unsolicited tips referred to below), **even if it is the local tradition**



Gift cards, award certificates or other monetary items



Personal travel and vacations



Courtesies prohibited by law, regulation or the business partner's company policy



Anything that could be perceived as a bribe, payoff, kickback, or an attempt to improperly influence



Anything that is part of a pattern of gifts or entertainment offered frequently by the same offeror



Any form of entertainment that may reflect negatively on Hilton, such as any form of "adult" entertainment, strip clubs, sexual favors, etc.

Disclosing Business Courtesies

Only impermissible Business Courtesies must be disclosed. The permissibility of a business courtesy is determined by the circumstances under which it is offered or accepted and not simply based on the value of the item offered or accepted.

We do not offer or accept a business courtesy, regardless of how small it is, if it creates or appears to create an improper influence or could appear to affect a business or government decision. We must use good judgement to avoid even the perception that any business courtesy has influenced or is intended to influence business judgment.

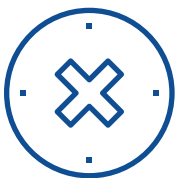
In addition, Team Members may not give or accept any gift or entertainment to/from a customer or supplier where there is a competitive bid situation or where negotiating a contract with Hilton.

To make a disclosure, simply go to the [Disclosure Central](#) page available on the Lobby.

By contrast, permissible Business Courtesies do not need to be disclosed. As a general rule, permissible business courtesies are (all must be fulfilled):

- **Legal and customary**
- **Reasonable in value** (not overly generous or extravagant)
- **Infrequent and not part of a pattern** (2-3 times per year is considered infrequent)
- **Unsolicited**
- **Associated with a legitimate business purpose***
- **Not associated with purchasing, procurement or contracting decisions**
- **Appropriate for the job function of the recipient**

*Promotion, demonstration or explanation of Hilton's business, execution or performance of contractual obligations, conducting contract negotiations, and relationship building that supports legitimate business activities



Providing business courtesies in order to obtain favors or preferential treatment is not a legitimate business purpose.

Before extending a business courtesy to a business partner, you are responsible for ensuring that the business partner is permitted to accept the courtesy under his/her employer's policy. If you are uncertain whether the business partner is permitted to accept the courtesy, ask before providing the business courtesy.

Examples regarding Business Courtesies

Below are examples that are generally permissible and do not require disclosure:



Promotional items (logo pens, caps, notepads, etc.). **Note that putting a company logo on an expensive gift does not automatically make it permissible.**



Occasional gifts that are unsolicited, reasonable, infrequent, and customary – as long as they are not intended to improperly influence the recipient and do not violate any local laws.



Occasional modestly priced meals with business partners where business is discussed and the Team Member is attending. Team Members must record all payments accurately, including the amount spent per person and the number and identity of people at the event.



Occasionally attending sports and other cultural events with business partners, as long as the business partners are in attendance and business is discussed. When attending a permitted event, Team Members may accept additional tickets for their household members if the hosting entity attending the event will be accompanied by similar invitees. Note that Team Members are prohibited from purchasing tickets to any type of event from a business partner.



Team Members speaking at a conference may accept conference registration fees, reasonable conference meals, travel, lodging, and ground transportation between the airport and conference venue as long as the same is offered to other speakers on an equal basis. Speaker fees are not permissible.



Prizes from raffles and drawings are generally acceptable as long as (i) they are genuinely random drawings, (ii) the games of chance or skill are open to a broad audience, and (iii) the prize is not overly generous.

Remember

When evaluating the reasonableness of a business courtesy, you should consider the standard of living in the country where the business courtesy is being accepted and tailor the value of the business courtesy accordingly.

Do not pay for business courtesies for a business partner's family members. If you believe that this is necessary for a legitimate business purpose, then please consult with the [Legal Compliance Team](#) before offering.

Team Members are allowed to accept unsolicited tips if their job function customarily involves receipt of unsolicited tips or gratuities, such as valet, bell captain, restaurant worker, guest room attendant, and housekeeping. This does not include anyone within the purchasing and finance teams or any of the hotel executive teams. In any event, Team Members are prohibited from soliciting tips or gratuities.

Unsure if you need to make a disclosure? Simply go to the [Disclosure Central](#) page available on the Lobby.

Resolving Conflicts

I have received an impermissible business courtesy. Now what?

Offers of business courtesies that are impermissible, as described above, should be politely declined whenever it is practical to do so. If an impermissible courtesy is received, consider whether it is practical to return it to the sender. Hilton understands that it is sometimes difficult to refuse or return a courtesy without causing offense. In such cases, there are several options which may be appropriate. Team Members should consult with management and the Legal Compliance Team to determine the best course of action. Some possible options include:

- **Communicate to the offeror that the business courtesy is accepted on behalf of Hilton for its use and benefit.** For example, a decorative item may be given to the business for display in its reception area.
- **Share the item with other Hilton Team Members such that no one person receives more than a modest benefit.** For example, a gift basket of food may be shared with other Team Members.
- **Donate the item to charity.**

It is not appropriate for Hilton to auction unacceptable courtesies during end of the year staff parties or to sell the item and distribute the proceeds among Team Members.

Special Circumstances



Exclusive Events

Business courtesies that are extravagant in value or exclusive in nature (such as Super Bowl, Golf Masters or World Cup tickets) may not be accepted without prior approval from the **Legal Compliance Team**. The Legal Compliance Team will carefully consider the nature of the business relationship with the entity or individual making the offer and the business role of the Hilton recipient. In general, Hilton should be solely responsible for the travel and lodging expenses associated with these exclusive events.

At times, Hilton invites and pays for travel for our business partners to join us at exclusive events. This may be appropriate where there is a properly balanced business agenda, invitations are properly worded, and no government officials are involved.

Any invitations on behalf of Hilton or a hotel to exclusive events or which may be considered extravagant in value must be handled through the Hilton corporate office in consultation with the Legal Compliance Team. Extending such invitations must be approved by the area VP.



Charitable Donations

Hilton always seeks to contribute to our local communities. However, even charitable donations can create conflicts of interest and other compliance concerns. Before making a charitable donation from Hilton resources where there is any type of government connection, you must receive prior approval from the Legal Compliance Team. Hilton charitable donations that do not have a government connection do not require prior approval from the **Legal Compliance Team**, but you should nonetheless follow the guidelines below:

- Conduct Compliance due diligence on the recipient charitable organization before making a donation using Hilton resources. Contact the Legal Compliance Team if you need assistance.
- Do not make contributions to any specific charitable organization more than three times per year.
- Do not make contributions to charitable organizations if there is Hilton business pending with the organization.
- Donations must be made to the organization itself and not an individual at the organization.
- Donations must not be associated with purchasing, procurement or contracting decisions.
- Team Members must record all donations as charity in Hilton's books and records with supporting documents, including approvals when required.



Sponsorships

Companies may sponsor events as one element of a broad marketing plan intended to build brand recognition and favorability. When Hilton sponsors events, we must be careful about abuses and the appearance of impropriety.

Sponsorships that involve any kind of government connection (such as where the sponsorship was requested by a government official or benefits a government agency) must not be undertaken without prior approval from the Legal Compliance Team. Sponsorships that do not have a government connection do not require prior approval from the Legal Compliance Team. Some examples of sponsorships are: client requests that we sponsor their Christmas party; local school requests that we sponsor their fun fair; local US embassy requests that we sponsor their Fourth of July celebration.

For all sponsorships, however, Team Members must follow the guidelines below :

- You must obtain and review a written sponsorship request; this helps ensure that the request for sponsorship is legitimate.
- Sponsorships must be infrequent, reasonable and bona fide, and not a regular activity. This includes giveaways such as complimentary upgrades, vouchers, etc.
- You must ensure that there is a legitimate benefit to Hilton resulting from the sponsorship. If the sponsorship includes any printing or publishing of the Hilton name, you must consult the Brand PR team.
- Sponsorship payments must be made to the organization itself and not an individual at the organization.
- Sponsorships should not be associated with purchasing, procurement or contracting decisions.
- You must record all sponsorships as such in Hilton's books and records with supporting documents, including approvals when required.

If Hilton is reaching out to suppliers to request that they sponsor a Hilton event, please consult the Solicitation of Vendors Guidelines in Attachment A.

In Attachment B, you will find a Sample Sponsorship Request Letter that you can use when making such requests.

For more information on corporate sponsorship, review the [Corporate Spending and Contract Execution Transactions Policy](#).

Business Courtesies Involving Government Officials



Stricter standards apply to business courtesies when they involve government officials, including U.S. officials (federal, state or local government employees) and government officials of other countries. See Hilton [Anticorruption Policy](#).

Government officials can include any of the following:

- Any person acting in an official capacity for or on behalf of any government or government agency, including government employees;
- Politicians, political party officials, candidates for public office, and members of royal families;
- Members of the judiciary; and
- Directors, officers, and employees of state-owned commercial enterprises, such as state-owned airlines.

You must obtain prior written approval from the Legal Compliance Team for any business courtesy extended to a government official.

Also, you are prohibited from giving, offering, promising, or authorizing the giving of anything of value to a government official with the intent of improperly obtaining or retaining business or securing an improper business advantage. Simply put, at Hilton, we do not bribe government officials or anyone else.

Under many anti-bribery laws, “anything of value” includes both cash and non-cash benefits such as travel, complimentary rooms and even charitable donations. Gifts, entertainment and other business courtesies could be – or could be perceived to be – bribes, regardless of the value of the item. A business courtesy of any value to a government official could be a bribe if it is coupled with the corrupt intent to obtain or retain business.

Many laws and regulations limit or prohibit business courtesies involving government officials. The penalties for violation of these laws can be severe. Business courtesies involving government officials must:

- (i) Be in compliance with all applicable laws, including the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and any other applicable laws, and
- (ii) Receive prior written approval from the Legal Compliance Team.







U.S. Government Officials

There are strict laws governing the types of business courtesies that can be offered to U.S. government officials. The [Global Sales Guidelines – Government Contracting Guidance](#) contains guidelines for offering gifts to U.S. government officials. You must consult and comply with those guidelines when considering offering a business courtesy to a U.S. government official.

Be mindful that other countries may have similar laws that must be followed:

Business courtesies must be permitted under both local law and the guidelines of the recipient’s employer/ government agency.	Business courtesies must be pre-approved by the Legal Compliance Team.
Courtesies should be provided as a token of esteem or in return for hospitality and not with the intent of improperly obtaining or retaining business or securing an improper business advantage.	Courtesies must be of nominal value for the country involved and appropriate for the occasion.
We must avoid the appearance of impropriety.	We must not offer or provide cash or gift certificates.
Courtesies must be for business use rather than personal use.	When possible, courtesies must showcase Hilton’s products or contain the Hilton logo.
Courtesies must be presented openly with complete transparency.	Courtesies must be recorded as such in Hilton’s books and records with supporting documentation, including regarding prior approval.

Below are examples of what is permissible and others that are not when dealing with U.S. government officials:

GIFTS		ENTERTAINMENT		TRAVEL	
OK	NOT OK	OK	NOT OK	OK	NOT OK
					
Promotional items (logo pens, caps, notepads, etc.).	Luxury items (expensive items even if it has a Hilton logo, etc.).	Paying for a business meal (with purpose for business).	Paying for meals frequently (no specific business).	Paying for a site visit (tour and stay at Hilton brand location).	Paying for a sightseeing trip (or other travel expenses).



Special considerations for travel and lodging involving government officials

Anti-bribery laws generally permit companies to provide travel expenses for certain government officials if the expenses are directly related to the promotion, demonstration or explanation of a service or product or the execution or performance of a contract. In order to ensure compliance with these complicated laws, such expenses must be approved in advance by the **Legal Compliance Team**.

Expenses must also be infrequent and comply with the following guidelines:

- Travel must directly relate to the promotion, demonstration, or explanation of Hilton products or services (such as a visit to a hotel where a government agency is considering hosting an event) or the execution and performance of a contract.
- Hilton should not select the officials who will travel; the relevant government agency should do so.
- Minor souvenirs (preferably with a Hilton logo) are allowed.
- Any meals provided must be modest in value, relate to a legitimate business purpose and have Hilton Team Members in attendance.
- Similarly, modest educational or promotional tours are permitted, but side trips to places like Disney World or Las Vegas are not.
- Travel should be in economy class.
- Per diem is not allowed. Hilton should pay for all costs directly to the service providers; in the event that an expense requires reimbursement, it may be done as long as the amount is modest and upon presentation of a written receipt.
- Hilton may only host the designated officials, not spouses or family members.
- The training costs and expenses will be only those necessary and reasonable to educate the visiting officials about Hilton's operation.
- Team Members must accurately record the expenses in Hilton's books and records.
- No preferential treatment should ever be provided. Only provide the same treatment that is provided to equivalent private sector individuals or organizations.
- Never provide a business courtesy to a government official who is acting in a regulatory capacity, for example, in connection with permits, licenses, taxes, inspections, etc.

Business interactions with government entities and officials acting in a commercial capacity as our customers, such as government-owned airlines, media, etc., must be properly documented, consistent with the way we conduct business with the private sector, and include no preferential treatment.

RELATED DOCUMENTS, TOOLS AND TEMPLATES

Guidelines for Soliciting Sponsorships for Hilton Events

Sample Sponsorship Request Letter

**Corporate Spending and Contract Execution
Transactions Policy**

**Hilton Complimentary Treatment & Entertaining
for Union Officials Policy**

Anticorruption Policy

GUIDELINES FOR SOLICITING SPONSORSHIPS FOR HILTON EVENTS

Hilton holds events for Team Members and for owners and other members of the general public. These events sometimes involve trade shows or opportunities for Hilton vendors or partners to sponsor parts of the event. Sponsorships may include the payment of money or the provision of products or services to Hilton or the direct funding by the vendor or partner of an affiliated event (i.e., a cocktail hour or breakfast). These guidelines govern the rules and procedures that Hilton must follow when soliciting vendors or partners for such sponsorships.

When soliciting sponsorships, it is critical that we are clear – both to our suppliers and to our employees – that the sponsorship that the vendor is providing can bear no relation whatsoever to any business they may receive from Hilton. In other words, the vendor is not “buying” the business, rather it is receiving more exposure to market its services or products to the attendees.

The following are required when arranging sponsorships for a Hilton event:

1. Consult with Hilton Supply Management’s Corporate Procurement Group (Supplier_Sponsorships@hilton.com) before soliciting vendors or partners to ensure coordination among functions. Several vendors report frustration with Hilton as a result of being approached by multiple Team Members with respect to sponsorships.
2. The following statement should be included in any requests for sponsorships made to vendors or partners: **“Please note that while Hilton appreciates your consideration of this request, we do not consider a supplier’s sponsorship of a Hilton event when making decisions to keep, increase, or award contracts or when purchasing items or services. Our business relationships with vendors and suppliers will continue to be based solely on their ability to meet our business needs.”**
3. The following statement must be put in our relevant internal communications regarding sponsorships: **“While attending this conference and in any business dealings with vendors, Hilton employees must conduct themselves in accordance with Company policies (including the Company’s Code of Conduct and purchasing policies) and should not lead any vendor to believe that purchasing decisions are made outside of these criteria.”**
4. The sponsorship must provide the vendor or partner with access to attendees of the conference who may have an interest in the products or services. Where Hilton has agreed to an exclusive relationship with a vendor or partner and the agreement is not up for renewal or selection, competitive vendors/partners should not be solicited for sponsorship. Access to attendees may include:

In-person access (i.e., attendance at a closed event or booth/space to present products or services),	Ability to place collateral or signage advertising of the vendor/partner at the event location,	Ability to provide a branded product/service to attendees, and/or	Other activity that would promote the vendor/partner to attendees.
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Consult with Legal with respect to any questions about the conditions to solicitations.

SAMPLE SPONSORSHIP REQUEST LETTER

Sponsorship Request letters require careful attention to wording and should be sent on Hotel Letterhead.

Here are some important considerations before sending any Sponsorship Requests:

- If this is a relationship managed by Hilton Supply Management (HSM), then HSM needs to determine whether it is appropriate to make such request.
- The sponsorship must include goods and services only; not cash.
- We must not make personal requests – they must always be for benefit of Hotel/ corporate office
- We should never request gifts/sponsorship from companies with whom there are ongoing contract negotiations
- The purpose of the request must be specified (e.g. team member raffle)
- Do not request a sponsorship of any given business partner more than two times per calendar year – if we expect to request items for a supplier each year, then this should instead be reflected in the annual contract being signed with that supplier.
- We must never pressure a supplier to give something
- We must keep clear records of items received, log them through the hotel stock and record how used and who receives them]
- The sponsorship must be connected to the supplier's business (for example, a vegetable supplier should not be providing iPads).

See letter example on the next page.

SAMPLE SPONSORSHIP REQUEST LETTER

[Type on Hotel Letterhead]

[insert date]

[Name]

[Address]

Dear [name]

As previously mentioned, we have an upcoming hotel Team Member event and we would like to request whether you would wish to offer any small seasonal gift items to the hotel which we could use in **[state purposes, e.g. a team member raffle at our Christmas party]**. These are not requested for the benefit of any specific individual.

Please do understand that you are under no expectation or obligation to provide anything, and anything provided would be purely as a gesture of seasonal goodwill. Further, there should be no expectation of anything in return, and whether or not you decide to offer something will have no bearing on business decisions or recommendations we may make. I understand that there are not currently any ongoing contract negotiations between you and our hotel or the rest of the Hilton group.

Please note that if you wish to offer anything, then any items offered should ideally have a connection with your business, and we would not accept any cash or cash-equivalents such as vouchers. Please note that we may need to return anything which could be considered excessive.

In addition, if you ever receive requests from our Team Members for items for their personal use or benefit, then this should not happen and you should please feel free to let us know.

For more information on our business dealings with suppliers, please feel free to review the 'Business Ethics' section in Hilton's Code of Conduct available via the link below: <http://ir.hilton.com/~media/Files/H/Hilton-Worldwide-IR-V3/committee-composition/hlt-code-of-conduct-en-rev-05-10-17.pdf>

We very much appreciate any gesture of goodwill.

Yours sincerely,

[Name of sender]