

WATERMARK LODGING TRUST
CODE OF BUSINESS CONDUCT AND ETHICS

OVERVIEW

This Code of Business Conduct and Ethics (the "Code") has been adopted by our Board of Directors and, together with our bylaws sets forth the guiding principles by which we operate our company and conduct our daily business with our shareholders, customers, vendors. These principles apply to all of the directors and officers of Watermark Lodging Trust and all of its subsidiaries and its affiliates (referred to in this Code as the "Company").

We strive to foster a culture of honesty and accountability. Our commitment to the highest level of ethical conduct should be reflected in all of the Company's business activities including, but not limited to, relationships with our shareholders, customers, clients, service providers, competitors and the government and the public. All of our officers and directors must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behavior. Even well-intentioned actions that violate this Code may result in negative consequences for the Company and for the individuals involved. One of our Company's most valuable assets is our reputation for integrity, professionalism and fairness. We should all recognize that our actions are the foundation of our reputation and that adhering to this Code and applicable law is imperative.

PRINCIPLES

Complying with this Code

Subject to the provisions of the preceding section, all business of the Company shall be conducted according to, and consistent with, the terms and spirit of this Code. In addition, our officers and directors are expected to conduct the Company's business in accordance with our bylaws and the Code of Business Conduct and Ethics. All officers and directors are expected to familiarize themselves with this Code, and our bylaws.

Complying with Laws, Regulations, Policies and Procedures

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each director and officer to adhere to the standards and restrictions imposed by those laws, rules and regulations. Each officer and director is expected to cooperate fully with any audit, inquiry or investigation of whatever nature, civil or criminal, initiated by the Company or by any U.S. federal, state or local governmental entity. All government and other external inquiries and requests for information, documents or investigative interviews (whether in person, by telephone, e-mail or written correspondence) must be referred to the legal department of the Company (the "Legal Department"), which will be responsible for coordinating a response.

Conflicts of Interest

Our officers and directors have an obligation to act in the best interest of the Company and to put such interests at all times ahead of their own personal interests. All directors and officers of the Company

should seek to avoid any action or interest that conflicts with, or gives the appearance of a conflict with, the Company's interests. A "conflict of interest" exists whenever an individual's private economic or other interests interfere or conflict in any way with, or may give the appearance of conflicting with, the interests of the Company.

A conflict of interest situation can arise when an officer or director takes action or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest can arise if an officer or director works in any capacity, including as a board or committee member, for a competitor while employed by the Company. Conflicts of interest may also arise when a director, officer or a member of his or her family receives improper personal benefits as a result of his or her position with the Company, whether from a third party or from the Company. Conflicts of interest will be handled in accordance with the Company's bylaws and Company policies. Conflicts of interest may not always be clear-cut, so if a question arises, an officer should consult with higher levels of management or the Chief Legal Officer. Any officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of the Chief Executive Officer or the Chief Legal Officer.

Protection and Proper Use of Company Assets

All directors and officers should protect the Company's assets and ensure their efficient use. All the Company assets should be used for legitimate business purposes.

Protecting Company assets against loss, theft or other misuse is the responsibility of every officer and director. Loss, theft and misuse of Company assets directly impact our profitability. Any suspected loss, misuse or theft of any significant amount of company assets should be reported to a supervisor or the Chief Legal Officer. The purpose of the Company's equipment and supplies is the conduct of our business. They may only be used consistent with Company guidelines.

Corporate Opportunity

The directors and officers are prohibited from (i) taking for themselves personally or for anyone other than the Company business opportunities that properly belong to the Company or are discovered through the use of corporate property, information or position; (ii) using corporate property, information or position for personal gain unless they have prior consent of the Board of Directors of the Company; and (iii) competing with the Company. Competing with the Company may involve engaging in the same line of business as the Company or any situation where the officer or director takes away from the Company opportunities for sales or purchases of products, properties, services or other interests. Directors and officers owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises.

Trading on Inside Information

Using non-public information to trade in securities, or providing a family member, friend or any other person with a "tip," is illegal. All non-public information relating to the Company or its business should be considered inside information and inside information should never be used for personal or Company gain.

Protecting Proprietary and Confidentiality Information

Information generated and gathered in our business is a valuable Company asset and may be confidential. Directors and officers must maintain the confidentiality of any confidential or inside information entrusted to them by the Company or its vendors or customers, except when disclosure is specifically

authorized by management or required by laws, regulations or legal proceedings. Confidential information includes all non-public information that might be of use to competitors of the Company or harmful to the Company or its customers, officers or directors if disclosed. Unauthorized use or distribution of such information violates Company policy and could be illegal. Such use or distribution could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions. We respect the property rights of other companies and their proprietary information and require our officers and directors to observe such rights. Officers and directors have a continuing obligation to protect the Company's information even after they leave the Company and must return all proprietary information in their possession upon leaving the Company and must not improperly disclose unwritten proprietary information.

Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing or utilizing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited. Each director and officer should deal fairly with the Company's customers, suppliers, competitors, officers and the public and with one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

Public Company Reporting

The Company has a responsibility to provide full and accurate information, in all material respects, in our public disclosures about the Company's financial condition and results of operations. Our reports and documents filed with or submitted to the Securities and Exchange Commission and our other public communication shall include full fair, accurate, timely and understandable disclosure. The Company has established a Disclosure Committee consisting of members of senior management to assist in monitoring such disclosures. Depending on their position with the Company, an officer or director may be called upon to provide necessary information to assure that the Company's public reports are complete, fair and understandable. The Company expects officers and directors to take this responsibility very seriously and to provide prompt accurate answers to inquiries related to the Company's public disclosure requirements.

Financial Statements and Other Records

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Any proposed "off the books" asset or liability should be brought to the attention of the Audit Committee. Records should always be retained according to the Company's record retention policies.

Compliance with Antitrust Laws

The antitrust laws prohibit agreements among competitors on such matters as prices, terms of sale to customers and allocating markets or customers. Antitrust laws can be very complex, and violations may subject the Company and its directors and officers to criminal sanctions, including fines, jail time and civil liability. Any questions should be directed to the Legal Department.

Political Contributions and Activities

Any political contributions made by or on behalf of the Company and any solicitations for political contributions of any kind must be lawful and in compliance with Company policies. This policy applies solely to the use of Company assets and is not intended to discourage or prevent individual officers or directors from making political contributions or engaging in political activities on their own behalf. No one may be reimbursed directly or indirectly by the Company for personal political contributions.

COMPLIANCE WITH THIS CODE AND REPORTING ILLEGAL OR UNETHICAL BEHAVIOR

Complying with this Code and Reporting Illegal or Unethical Behavior

All officers and directors are expected to comply with all of the provisions of this Code. The Code will be strictly enforced throughout the Company and violations will be dealt with promptly, including by subjecting persons who have violated the Code to corrective and/or disciplinary action, which may in appropriate circumstances include dismissal or removal from office. Officers and directors who suspect or know of violations of this Code or illegal or unethical business or workplace conduct by officers or directors with respect to accounting or auditing matters have an obligation to contact the Chief Ethics Officer or the Legal Department. Such communications will be kept confidential to the extent feasible. If the officer or director is not satisfied with the response, the officer or director may contact the Audit Committee of the Board of Directors of the Company. If concerns or complaints require confidentiality, including keeping an identity anonymous, we will endeavor to protect this confidentiality to the extent feasible, subject to applicable law, regulation or legal proceedings.

Accounting Complaints

The Company's policy is to comply with all applicable financial reporting and accounting regulations. If any director or officer of the Company has unresolved concerns or complaints regarding questionable accounting or auditing matters of the Company, then he or she is encouraged to submit those concerns or complaints (anonymously, confidentially or otherwise) to the Audit Committee. Subject to its legal duties, the Audit Committee and the Board of Directors of the Company will treat such submissions confidentially. Such submissions may be directed to the attention of the Audit Committee or any director who is a member of the Audit Committee. The Company also maintains a "whistle-blower hotline" on its website that may be used to report actual or suspected activities that may involve criminal conduct or violations of this Code.

Non-Retaliation

The Company recognizes the need for this Code to be applied equally to everyone it covers. The Chief Legal Officer of the Company will have primary authority and responsibility for the administration of the Code. The Company will devote the necessary resources to enable the Chief Legal Officer to establish such procedures as may be reasonably necessary to create a culture of accountability and facilitate compliance with the Code. Questions concerning this Code should be directed to the Chief Legal Officer. The Company encourages all officers and directors to report any suspected violations promptly and intends to investigate any good faith reports of violations. The Company will not tolerate retaliation of

any kind against individuals who have made good faith reports or complaints of misconduct. Officers and directors are required to cooperate with internal investigations of misconduct and unethical behavior.

AMENDMENT, MODIFICATION AND WAIVER

This Code may be amended or modified by the Board of Directors of the Company. Any amendments to the Code will be promptly disclosed to the Company's shareholders. Waivers of this Code may only be granted by the Board of Directors or a committee of the Board with specific delegated authority. Waivers will be promptly disclosed to the Company's shareholders as required by the Securities Exchange Act of 1934, as amended, and the rules thereunder and the applicable rules of the New York Stock Exchange.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to conducting its business in compliance with all applicable environmental and workplace health and safety laws and regulations. The Company strives to provide a safe and healthy work environment for our officers and directors and to avoid adverse impact and injury to the environment and communities in which we conduct our business.