

**ASHFORD HOSPITALITY TRUST, INC.  
CORPORATE GOVERNANCE GUIDELINES**

**I. Introduction**

The Board of Directors (the “*Board*”) of Ashford Hospitality Trust, Inc., a Maryland corporation (the “*Company*”), acting on the recommendation of its Nominating and Corporate Governance Committee, has adopted these corporate governance principles (the “*Guidelines*”) to promote the effective functioning of the Board and its committees, to promote the interests of shareholders and to ensure a common set of expectations as to how the Board, its various committees, individual directors and management should perform their functions. The Nominating and Corporate Governance Committee reviews these Guidelines annually and recommends changes to the Board as appropriate. These Guidelines are not intended to change or interpret any Federal or state law or regulation or the Company’s charter or bylaws (the “*Bylaws*”). These Guidelines are subject to modification from time to time by the Board.

**II. Board Responsibilities**

The business and affairs of the Company are managed by or under the direction of the Board in accordance with Maryland law. The Board provides direction and oversight to the Company. The Board establishes the strategic direction of the Company and oversees the performance of the Company’s business, management and employees of the Advisor who provide services to the Company. The management of the Company is responsible for presenting business objectives, opportunities and/or strategic plans to the Board for review and approval and for implementing the Company’s strategic direction.

**III. Management Succession**

The Board, acting through the Nominating and Corporate Governance Committee, shall review and concur in a management succession plan, developed by the CEO, to ensure a continuity in senior management. This plan, on which the CEO shall report at least annually, shall address:

- (a) emergency CEO succession;
- (b) CEO succession in the ordinary course of business; and
- (c) succession for the other members of senior management. The plan shall include an assessment of senior management experience, performance, skills and planned career paths.

**IV. Evaluating the CEO and Advisor**

The Board shall annually conduct an evaluation of the performance of the CEO in the context of the annual compensation review performed by the Compensation Committee, with

input from the other non-management directors. The chairperson of the Compensation Committee shall communicate such evaluations to the CEO.

## **V. Director Compensation**

The Compensation Committee shall periodically review the form and amounts of director compensation and make recommendations to the Board with respect thereto. The Board shall set the form and amounts of director compensation, taking into account the recommendations of the Compensation Committee. To create a direct linkage with corporate performance, the Board believes that a meaningful portion of the total compensation of non-management directors should be provided and held in common stock, stock options, restricted stock units or other types of equity-based compensation, including long term incentive partnership units in the operating partnership of the Company.

## **VI. Reviewing and Approving Significant Transactions**

Board approval of a particular transaction may be appropriate because of several factors, including:

- (a) legal or regulatory requirements;
- (b) the materiality of the transaction to the Company's financial performance, risk profile or business;
- (c) the terms of the transaction; or
- (d) other factors, such as the entering into of a new line of business or a variation from the Company's strategic plan.

To the extent the Board determines it to be appropriate, the Board shall develop standards to be utilized by management in determining types of transactions that should be submitted to the Board for review and approval or notification.

Additionally, in connection with the formation of the Company, the Company entered into certain agreements that may present conflicts of interest for the executive officers. To mitigate these potential conflicts of interest, any waiver, consent, approval, modification, enforcement matters or elections which the Company may make pursuant to the terms of the following agreements, shall be within the exclusive discretion and control of a majority of the Independent Directors (or higher vote thresholds specifically set forth in such agreements):

- (a) Mutual Exclusivity Agreement dated August 29, 2003, by and among Ashford Hospitality Limited Partnership, the Company, Remington Lodging & Hospitality, LLC (as successor to Remington Hotel Corporation) ("*Remington*"), Archie Bennett, Jr. and Monty Bennett;
- (b) Hotel Master Management Agreement dated August 29, 2003 by and between Ashford TRS Corporation and Remington; and

- (c) Hotel Master Management Agreement dated September 29, 2006, by and between Ashford TRS Corporation and Remington.

## **VII. Board Composition and Size**

The members of the Board should collectively possess a broad range of skills, expertise, industry and other knowledge and business and other experience useful to the effective oversight of the Company's business. A majority of members of the Board shall consist of directors who are free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment and who shall have been affirmatively determined by the Board to be independent (each, an "*Independent Director*"), as defined and to the extent required in the applicable rules of the Securities Exchange Commission ("*SEC*"), the listing standards of the New York Stock Exchange ("*NYSE*") and the independent director guidelines adopted by the Board from time to time and annexed hereto as Exhibit "A". At all times that the Chairman of the Board is not an Independent Director, at least two-thirds (2/3) of the members of the Board shall consist of Independent Directors.

The size and composition of the board should be appropriate for effective deliberation of issues relevant to the Company's businesses and related interests. The Board currently consists of seven members.

## **VIII. Board Leadership**

The Board believes that presently it is in the best interests of the Company for a single person to serve as both chairman of the Board (the "*Chairman*") and Chief Executive Officer (the "*CEO*"). In addition, the independent directors have appointed an independent director to serve as the lead independent director (the "*Lead Director*"). The Lead Director has the following duties and responsibilities:

- presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the Independent Directors, and including presiding over at least two (2) regularly scheduled meetings per year for the non-management directors without management present (if non-management directors include a director that is not an Independent Director, then at least one (1) of the scheduled meetings will include only Independent Directors);
- advises the Chairman and CEO of decisions reached and suggestions made at meetings of Independent Directors or non-management directors;
- serves as liaison between the Chairman and the independent directors;
- approves information sent to the Board;
- approves meeting agendas for the Board;
- approves meeting schedules to assure that there is sufficient time for discussion of all agenda items;

- has the authority to call meetings of the independent directors; and
- if requested by major shareholders, is available for consultation and direct communication.

## **IX. Selection of Directors**

*Nominations and Appointments.* The Board's Nominating and Corporate Governance Committee shall be responsible for recommending to the Board qualified candidates for Board membership, based on criteria approved by the Board, which will include:

- Integrity, experience, achievements, judgment, intelligence, competence, personal character, expertise, skills, knowledge useful to the oversight of the Company's business, ability to make independent analytical inquiries, willingness to devote adequate time to Board duties, and likelihood of a sustained period of service on the Board;
- Business or other relevant experience; and
- The extent to which the interplay of the candidate's expertise, skills, knowledge and experience with that of other Board members will build a Board that is effective, collegial and responsive to the needs of the Company.

In connection with the selection of nominees for director, consideration will also be given to the Board's desire for an overall balance of diversity, including professional background, experience and perspective. The Board, taking into consideration the recommendations of the Nominating and Corporate Governance Committee, shall be responsible for selecting the director nominees and for appointing directors to the Board to fill vacancies, with primary emphasis on the criteria set forth above.

The Nominating and Corporate Governance Committee shall also be responsible for initially assessing and making a recommendation to the Board regarding whether a candidate would be an Independent Director. The Board, taking into consideration the assessment of the Nominating and Corporate Governance Committee, shall make the determination as to whether a nominee or appointee would be an Independent Director.

*Director Elections.* If, in any election of directors of the Company which is not a contested election, an incumbent director does not receive a majority of the votes cast and therefore is not re-elected, such incumbent director shall promptly tender his or her resignation as a director, for consideration by the Nominating and Corporate Governance Committee of the Board and ultimate decision by the Board. The Nominating and Corporate Governance Committee will promptly consider any such tendered resignation and will make a recommendation to the Board as to whether such tendered resignation should be accepted or rejected, or whether other action should be taken with respect to such offer to resign. Any incumbent director whose tendered resignation is under consideration may not participate in any deliberation or vote of the Nominating and Corporate Governance Committee or the Board regarding such tendered resignation. The Nominating and Corporate Governance Committee

and the Board may consider any factors they deem relevant in deciding whether to accept, reject or take other action with respect to any such tendered resignation. Within ninety (90) days after the date on which certification of the stockholder vote on the election of directors is made, the Board will publicly disclose its decision and rationale regarding whether to accept, reject or take other action with respect to the tendered resignation in a press release, a periodic or current report filed with the Securities and Exchange Commission or by other public announcement. If any director's tendered resignation is not accepted by the Board, such director will continue to serve until the next annual meeting of stockholders and until his or her successor is elected and qualified or his or her earlier death or resignation.

## **X. Incumbent Directors**

***Renomination.*** The Nominating and Corporate Governance Committee shall, in making a recommendation regarding the renomination of an existing member of the Board, consider the director's tenure and make an assessment of the director's past contributions and effectiveness as a Board member and his or her ability to continue to provide future value to the Board. Any director appointed to the Board by the Board to fill a vacancy shall stand for election at the Company's next annual meeting if nominated by the Board.

***Retirement Age.*** Upon attaining the age of 70 and annually thereafter, a director shall tender a letter of proposed retirement from the Board to the chairperson of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee, in consultation with the Chairman, shall review the director's continuation on the Board, and recommend to the Board whether, in light of all the circumstances, the Board should accept such proposed retirement or request that the director continue to serve. A majority of the disinterested directors on the Board shall determine the acceptance of the proposed retirement or election to request that the director continue to serve.

***Change In Job Responsibility.*** When a director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, the director shall tender a letter of proposed resignation from the Board to the chairperson of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee, in consultation with the Chairman, shall review the director's continuation on the Board, and recommend to the Board whether, in light of all the circumstances, the Board should accept such proposed resignation or request that the director continue to serve.

## **XI. Committees of the Board**

The Board shall have at least three committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee (the "Committees"). The Board may establish and maintain other committees from time to time as it deems necessary and appropriate. Each Committee shall have a written charter.

The Board expects to accomplish a substantial amount of its work through the Committees. Each Committee shall report regularly to the Board on its activities.

## **XII. Board and Committee Meetings**

The Board shall have at least four meetings each year. Further meetings shall occur if called by a majority of the Board, the Chairman, the Lead Director, or the CEO. The Board may act by unanimous written consent in lieu of a meeting. Pursuant to Article III, Section 10 of the Bylaws, the Chairman shall preside at all meetings of the Board or, if the Chairman is absent, the Lead Director shall preside as provided in Section VIII above. If the Lead Director is not present, then the President shall preside at the meeting of the Board, or if not present, director who is most senior by tenure on the Board shall preside.

The Chairman shall establish the agenda for each Board meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Directors are encouraged to suggest the inclusion of items on the agenda.

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

The agenda, materials and minutes for each Committee meeting shall be available to all directors, and all directors shall be free to attend any Committee meeting, unless a Committee expressly determines otherwise. In addition, all directors, whether or not members of the Committee, shall be free to make suggestions to a Committee chairperson for additions to the agenda of his or her Committee or to request that an item from a Committee agenda be considered by the Board.

## **XIII. Executive Sessions**

The independent directors shall meet in executive session at least twice a year with no members of management present. The Lead Director shall preside at the executive sessions. These executive sessions shall also constitute meetings of the Nominating and Corporate Governance Committee, with any non-management directors who are not members of such Committee attending by invitation.

In addition to the open discussion between directors encouraged at each executive session about various Company matters, the executive sessions shall serve as the forum for the annual evaluation of the performance of the CEO, the annual review of the CEO's plan for management succession and the annual evaluation of the performance of the Board.

## **XIV. Functioning of the Board**

The Board has developed a number of specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the efficient conduct of the Board's business. It is understood that the non-management directors are not full-time employees of the Company.

1. ***Commitment and Attendance.*** All directors should make every effort to attend the four regularly scheduled meetings of the Board and any regularly scheduled

Committee meetings of which they are members. Attendance by telephone or video conference may be used to facilitate a director's attendance. Directors are expected to attend the annual meeting of shareholders absent unusual circumstances.

2. ***Code of Conduct.*** The Company has adopted a Code of Business Conduct and Ethics. Certain portions of the Code deal with activities of directors, particularly with respect to potential conflicts of interest, the taking of corporate opportunities for personal use and transactions in the securities of the Company. Directors should be familiar with the Code's provisions in these areas and should consult with the Company's General Counsel in the event of any issues.
3. ***Other Directorships and Significant Activities.*** Directors are encouraged to limit the number of other boards on which they serve so as not to interfere with their service as a director of the Company. Directors should advise the chairperson of the Nominating and Corporate Governance Committee and the Chairman of the Board before accepting membership on other boards of directors or any audit committee or other significant committee assignment on any other board of directors, or establishing other significant relationships, particularly those that may result in significant time commitments or a change in the director's relationship to the Company.
4. ***Contact with Management and Employees.*** All directors shall be free to contact the CEO at any time to discuss any aspect of the Company's business. Directors shall also have complete access to other officers of the Company and employees of the Advisor who spend all or a portion of their time managing the Company's affairs.
5. ***Speaking on Behalf of the Company.*** It is important that the Company speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. If a situation does arise in which it seems necessary for a non-management director to speak on behalf of the Company to one of these constituencies, the director should consult with the CEO and obtain approval of the Board.
6. ***Confidentiality.*** The proceedings and deliberations of the Board and its committees shall be confidential. Each director shall maintain the confidentiality of information received, from whatever source, in connection with his or her service as a director.

## **XV. Evaluating Board and Committee Performance**

The Board, acting through the Nominating and Corporate Governance Committee, shall conduct an annual self-evaluation. Each Committee shall conduct an annual self-evaluation as provided for in its respective charter.

## **XVI. Orientation and Continuing Education**

Management, working with the Board, shall provide an orientation process for new directors, including background material on the Company and its business, strategy, operations, finances, risk management processes, compliance program and governance practices. As appropriate, management shall prepare additional educational sessions for directors on matters relevant to the Company and its business.

## **XVII. Reliance on Management and Outside Advice**

In performing its functions, the Board shall be entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. Except as otherwise provided in a charter of a committee, the Board shall have the authority to select, retain, terminate and approve the fees and other retention terms of its outside advisors.

## **XVIII. Stock Ownership Guidelines**

In order to align the interests of the Board and the CEO with the interests of the shareholders, the members of the Board and the CEO are required to acquire and hold common stock of the Company during the pendency of their service. Each member of the Board should hold an amount of common stock having a value in excess of three times his annual board retainer fee (excluding any portion of the retainer fee representing additional compensation for being a committee chairman). The CEO should hold an amount of common stock having a value in excess of six times his annual base salary. The president should hold an amount of common stock having a value in excess of four times his annual base salary, and each other executive officer is required to hold an amount of common stock having a value in excess of three times his annual base salary. New directors and officers will be expected to achieve compliance with this guideline within three years after being elected or appointed, as applicable. In determining compliance with these guidelines, in addition to shares of common stock held by the individual, all units in the Company's operating partnership (including vested or unvested long-term incentive partnership units) and vested and unvested shares of restricted stock, as well as any shares that the Company may be obligated to issue to the individual pursuant to the terms of any deferred compensation plans maintained by the Company, shall be counted on a one-for-one basis with shares of common stock.

## **XIX. Policy on Recoupment of Incentive Compensation**

### ***Definitions***

As used in this Section XVIII, the following terms have the following meaning:

“Independent Director Committee” or “Committee” means the Compensation Committee of the Board, or, in the discretion of the Board, any other committee or body of the Board consisting only of Independent Directors.

“Covered Officer” means any officer of the Company whom the Board or the Independent Directors have previously determined is subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, or any other officer holding the title senior

vice president or more senior title whose job description involves the function of accounting or financial reporting. This policy shall apply to persons who were Covered Officers during the relevant period but are no longer employees of the Company at the time the determination to recoup Incentive Compensation is made.

“Incentive Compensation” means annual cash bonus and long term equity incentive compensation (*e.g.*, employee restricted stock and long term incentive partnership units).

### ***Policy***

If the Company is required to prepare an accounting restatement due to the material non-compliance of the Company with any financial reporting requirement, then the Independent Director Committee may require any Covered Officer during the three-year period preceding the publication of the restated financial statement to repay Incentive Compensation earned during the prior three year period in such amount that the Independent Director Committee determines was in excess of the amount that such Covered Officer would have received had such Incentive Compensation been calculated based on the financial results reported in the restated financial statement (“Excess Compensation”).

The Independent Director Committee may take into account any factors it deems reasonable, necessary and in the best interests of the Company, to remedy the misconduct and prevent its recurrence. In determining whether to seek recoupment of previously paid Excess Compensation and how much Excess Compensation to recoup from individual Covered Officers (which need not be the same amount or proportion for every Covered Officer), the Independent Director Committee shall consider the accountability of the applicable Covered Officer, any conclusion by the committee that a Covered Officer engaged in wrongdoing, committed grossly negligent acts, omissions or engaged in willful misconduct, or any failure of a Covered Officer in reporting another’s grossly negligent acts, omissions or willful misconduct. The amount and form of the compensation to be recouped shall be determined by the Independent Director Committee in its discretion, and recoupment of Excess Compensation paid as annual cash bonuses or long term incentives may be made, in the Independent Director Committee’s discretion, through cancellation of vested or unvested restricted stock, LTIPs, and/or cash payment. In addition, if the Covered Officer engaged in intentional misconduct or violation of Company policy that contributed to the award or payment of Incentive Compensation to him or her that is greater than would have been paid or awarded in the absence of the misconduct or violation, the Independent Director Committee may take other remedial and recovery action permitted by applicable law, as determined by such committee.

Notwithstanding anything herein to the contrary, this policy shall not apply to recasting of financial statements or voluntary restatements due to a change in applicable accounting rules, interpretations, or changes in guidance or applicable reporting regulations.

Implementation rules for the mandatory clawback requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) have yet to be finalized as of the date of adoption of this policy. However, to the extent necessary, this policy will be amended to conform with the final Dodd-Frank rules once issued and applicable to the Company.

*Last Amended:* February 25, 2014

## EXHIBIT “A”

### ASHFORD HOSPITALITY TRUST, INC.

#### Director Qualification Standards

##### Determination of Independence.

To be considered “independent” for purposes of these standards, a director must be determined, by resolution of the Board as a whole, after due deliberation, to have no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company, other than as a director. In each case, the Board shall broadly consider all relevant facts and circumstances and shall apply the following standards:

1. In no event will a director be considered “independent” if, within the preceding three (3) years:
  - (a) the director was employed by the Company or any of its direct or indirect subsidiaries;
  - (b) an immediate family member of the director was employed by the Company or any of its direct or indirect subsidiaries as an executive officer;
  - (c) the director received more than \$120,000 per year in compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior services, provided such compensation is not contingent in any way on continued service;
  - (d) an immediate family member received more than \$120,000 per year in compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior services, provided such compensation is not contingent in any way on continued service, and provided that compensation received by an immediate family member for service as a non-executive employee of the Company need not be considered in determining independence;
  - (e) the director, within the preceding three (3) years, was affiliated with or employed by a present or former internal or external auditor of the Company;
  - (f) an immediate family member of the director, within the preceding three (3) years, was affiliated with or employed in a professional capacity by a present or former internal or external auditor of the Company;

- (g) the director was employed as an executive officer of another company where any of the Company's present executives serve on such other company's compensation committee;
  - (h) an immediate family member of the director was employed as an executive officer of another company where any of the Company's current executives serve on such other company's compensation committee;
  - (i) the director was an executive officer or an employee of a company that made payments to or received payments from the Company for property or services in an amount which, in any single fiscal year, exceeded the greater of \$1 million or 2% of such other company's consolidated gross revenues; or
  - (j) an immediate family member of the director was an executive officer of a company that made payments to or received payments from the Company for property or services in an amount which, in any single fiscal year, exceeded the greater of \$1 million or 2% of such other company's consolidated gross revenues.
2. In addition to satisfying the criteria set forth in Section 1 above, directors who are members of the Audit Committee may not have any direct or indirect financial relationship whatsoever with the Company other than as directors. Audit committee members may receive directors' fees in the form of cash, stock, stock units, stock options or other in-kind consideration ordinarily available to directors, as well as regular benefits that other directors receive; however, audit committee members may not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its direct or indirect subsidiaries or be affiliated with the Company or any of its direct or indirect subsidiaries. If an Audit Committee member simultaneously serves on the audit committees of more than three (3) public companies, the Board must make a determination that such simultaneous service would not impair the ability of such member to effectively serve on the Company's Audit Committee. Such determination will be disclosed accordingly.
3. The following commercial or not-for-profit relationships will not be considered to be material relationships that would impair a director's independence:
- (a) if a director of the Company is an executive officer of another company, or an attorney of a law firm, that in either case does business with the Company and the annual payments to or from the Company are less than one percent of the annual revenues of such other company or law firm;
  - (b) if a director of the Company is an executive officer of another company, or an attorney of a law firm, that in either case is indebted to the Company, or to which the Company is indebted, and the total amount of

such entity's indebtedness to the other is less than one percent of the total consolidated assets of such other company or law firm;

- (c) if a director of the Company serves as an officer, director or trustee of a not-for-profit organization, and the Company's or its affiliates' discretionary charitable contributions to the organization, in the aggregate, are less than one percent (1%) (or \$50,000, whichever is greater) of that organization's latest publicly available operating budget; and
- (d) if a director of the Company made payments to or received payments from entities in which the Company's directors or executive officers own less than a majority interest and have no managerial control, for property or services, in an amount which, in any single fiscal year, is less than the greater of \$200,000 or two percent (2%) of such other company's consolidated gross revenues.

Annually, the Board will review all commercial and charitable relationships of directors. Whether directors meet these categorical independence tests will be reviewed and will be made public annually prior to their standing for re-election to the board.

- 4. For relationships not covered by the guidelines in paragraph 3, above, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the directors who satisfy the independence guidelines set forth in paragraphs 1 and 3, above. The Company would explain in the next proxy statement the basis for any Board determination that a relationship is immaterial despite the fact that it does not meet the categorical standards of immateriality set forth in paragraph 3, above.
- 5. The Company will not make any personal loans or extensions of credit to directors or executive officers.
- 6. To help maintain the independence of the Board, all directors are required to deal at arm's length with the Company and its direct and indirect subsidiaries and to disclose circumstances material to the director that might be perceived as a conflict of interest.