Choice Hotels' Emerging Markets Team Signs Largest Minority Multi-Unit Franchise Agreement In Program History

Latest Multi-Unit Deal with an African American Entrepreneur Increases Diversity Among Company's Owner Base and Across Hospitality Industry

ROCKVILLE, Md., Oct. 6, 2020 / PRNewswire / -- Choice Hotels International, Inc.'s (NYSE: CHH) one-of-a-kind emerging markets franchise development program has awarded a contract to Fredric Washington to develop six hotels. This new contract with an African American entrepreneur represents the largest minority multi-unit franchise agreement executed in the program's history.

"Choice Hotels has a longstanding, deep commitment to diversity, equity and inclusion, and we strive to make every associate, franchisee and guest feel welcome, wanted and respected — that's our brand promise," said Patrick Pacious, president and chief executive officer, Choice Hotels. "As part of that pledge, our emerging markets franchise development team is constantly working to help extend the opportunity of hotel ownership to those who have historically been less represented in the hospitality industry."

"For nearly 15 years, our emerging markets department has been working to help make small business ownership a reality for underrepresented minority entrepreneurs," said John Lancaster, regional vice president, emerging markets, franchise development and owner relationships. "We are extremely proud of our history as the only lodging company with a team dedicated exclusively to growing a diverse franchisee base, and this multi-unit agreement, which is the largest we have ever entered, is a great example of how we are trying to accomplish that."

The agreement with Washington, who is managing partner of Southern Accommodations, LLC and previously served as the U.S. Department of Housing and Urban Development lead in Florida under Presidents Bill Clinton, George W. Bush and Barack Obama, includes the following six hotels:

- Sleep Inn St. Augustine, Florida
- Comfort Suites Fort Myers, Florida
- Sleep Inn Fort Myers, Florida
- MainStay Suites Fort Myers, Florida
- Sleep Inn Ocala, Florida
- MainStay Suites Ocala, Florida

"It's historically significant that the first hotel in this multi-unit deal is owned by an African American inSt. Augustine, where there have been several prominent acts of racial discrimination in this industry," said Washington. "This is a welcomed step forward and I appreciate the sincere collaboration with Choice Hotels to help address the racial divide that exists in our country by promoting African American hotel ownership. Choice leads the industry in creating true equity participation, and now I've experienced firsthand why — the company is not satisfied with hanging banners and coming up with logos, but they live inclusiveness and diversity every day."

Choice Hotels' emerging markets program has awarded and financially supported over 250 franchise agreements with underrepresented minority and veteran entrepreneurs in the program's history, including 34 deals last year alone. This year, the company has yielded 17 contracts so far, even amid the COVID-19 pandemic, including two additional contracts with Washington for a Comfort Suites and MainStay Suites in St. Augustine. For more information about the program and development opportunities, visit choicehotelsdevelopment.com/incentives.

About Choice Hotels®

Choice Hotels International, Inc. (NYSE: CHH) is one of the largest lodging franchisors in the world. With more than 7,100 hotels, representing nearly 600,000 rooms, in over 40 countries and territories as of June 30, 2020, the Choice[®] family of hotel brands provide business and leisure travelers with a range of high-quality lodging options from limited service to full-service hotels in the upscale, midscale, extended-stay

and economy segments. The award-winning Choice Privileges[®] loyalty program offers members benefits ranging from everyday rewards to exceptional experiences. For more information, visit www.choicehotels.com.

Forward-Looking Statement

This communication includes "forward-looking statements" about future events, including anticipated development and hotel openings. Such statements are subject to numerous risks and uncertainties, including construction delays, availability and cost of financing and the other "Risk Factors" described in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, any of which could cause actual results to be materially different from our expectations.

<u>Addendum</u>

This is not an offering. No offer or sale of a franchise will be made except by a Franchise Disclosure Document first filed and registered with applicable state authorities. A copy of the Franchise Disclosure Document can be obtained through contacting Choice Hotels International at 1 Choice Hotels Circle, Suite 400, Rockville, MD 20850, development@choicehotels.com.

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