

CHATHAM LODGING TRUST

Guidelines for Handling Conflicts of Interest Between Chatham Lodging Trust and Island Hospitality Management Inc.

Background

Chatham Lodging Trust (the “Company”) may retain Island Hospitality Management Inc. (“Island Hospitality”) to manage the Company’s hotels. In addition, the Company and Island Hospitality share certain corporate office administrative functions. Each transaction involving the Company and Island Hospitality involves a conflict of interest for the Company because of Jeffrey H. Fisher’s role as Chairman, President and Chief Executive Officer of the Company and the owner of ninety percent (90%) of Island Hospitality. As a result, the Board of Trustees has developed these guidelines for handling such conflicts.

Required Procedures

Each transaction, arrangement, event or series of events which involves or is expected to involve (1) the payment of money or other consideration or the guaranty or security of any repayment or other obligation (a) by Island Hospitality to or of the Company or (b) by the Company to or of Island Hospitality; or (2) an allocation of the cost of corporate office administrative functions between the Company and Island Hospitality shall be considered a “Conflict Transaction” and shall be covered by these Guidelines.

Each Conflict Transaction must be approved by a majority of the independent members of the Board of Trustees of the Company (the “Board”). In considering such transactions, the Board shall consider whether the proposed Conflict Transaction is in the best interests of the Company and otherwise is generally fair and is on terms that are similar to the terms of generally comparable transactions between unrelated parties.

Any Conflict Transaction approved by the Board shall be disclosed (i) promptly on the Company’s website, in proximity to where the Code of Business Conduct and Ethics is posted and (ii) as appropriate, in the Company’s periodic reports and/or proxy statements under applicable securities laws.