Dear Hotel Partners,

Welcome to the first 2016 Macy Report. I am amazed at all the news that has accumulated. We will try to keep you updated every quarter and if you have any management or sales changes, please do let me know. I will see that they receive a copy of all the necessary information.

One of the new initiatives we have started this year is a new hotel or management orientation presentation on Group Sales. If you are interested in a refresher meeting or are new and want to know more about Group Sales, please let me know. I am here to help and support our partnership and sales efforts.

Finally, 2015 was a very busy but exciting time for us all. We had many “firsts”. 2015 was the first year our sales directors were taken off a commission compensation plan, coordinators were changed to inside sales account managers, and five new sales directors joined our team including a director for Group Sales in Europe that expanded our European team. In addition, we are producing newsletters for 22 sales directors globally and distributing them to over 30,000 clients. The Macy Report was initiated, and the European Group Desk’s role now includes inside sales, and we also manage Group Sales in France, Spain, Italy and the Middle East.

Our final revenue number for 2015 was 39.2 million USD in Group Sales and our goal for 2016 is 45 million USD. We hope that you will partner with us so that we can reach our goals and to help you to reach your goals.

Thank you for your support and I look forward to a great year with the strengthening of our partnerships.

Sincerely,

Elaine Macy
Executive Vice President – Global Group Sales

Group Sales – New Additions

Europe - London

A big welcome to Andy Hughes who will be joining us on April 4th as our new Manager of Group Sales – UK & Ireland. Andy will be working with Nic Wood and Tessa Whalley to further develop the UK market. He will also attend IMEX Frankfurt in April.

For the past two and a half years, Andy was with The Grove Hotel, a 5-Star resort property just outside of London with extensive meeting facilities. He started in the hospitality world after living in Los Angeles, California, for 4 years where he worked at the Riviera Country Club.

Andy loves all sports but especially Golf. He also enjoys competing in Triathlons. In 2014, Andy completed the Helvellyn Triathlon which is one of the worlds hardest triathlons, before a knee injury sidelined him for a year. With enthusiasm, Andy is expected to return to competing this April as he is especially interested in the cycling side of the events.

On a weekend, he can be found watching live Rugby or Football and following Watford FC as he has done so all his life.

Andy Hughes
Manager, Group Sales – UK & Ireland
We are pleased to announce our new Director of Group Sales – Midwest, Corporate & Association, **Kathleen Corbo** who joined us on February 1st. She will be selling association and corporate directly in Illinois. Since Kathy has worked for a boutique property, one of her new initiatives is to have a Boutique focus globally. She has a wonderful client base and will be selling all properties.

Based in Chicago, Kathy brings to Preferred over 18 years of hospitality sales experience. Most recently she served as Senior Sales Manager at The Elysian Hotel, which is now the Waldorf Astoria Chicago. As part of The Elysian Hotel’s pre-opening team, Kathy assisted in developing and implementing many of the hotel sales policies and procedures. Prior to Elysian, Kathy served as Sales Manager for Park Hyatt Chicago.

Kathy earned her Bachelor of Arts degree in Psychology and Sociology from Elmhurst College. In her free time, Kathy enjoys going to the movies, spending time with friends and trying new restaurants in Chicago. She is a big fan of the Chicago Blackhawks and treats herself to a game whenever possible.

**Events**

**Event ROI**

Great news! The Grand Hotel Huis ter Duin attended our iPrefer Planner UK Launch Dinner in February and received an amazing lead that went into contract. Congratulations to the Grand Hotel Huis ter Duin and our European Group Desk!

**European Group Events – 2016**

**9-13 MAY**  
**Midwest International Week**

This Spring, we are giving a special offer to our international hotels. You can come to North America and spend a week on sales calls with three of our Sales Directors and attend two of our largest client events as well as smaller client lunches and dinners. To register: [CLICK HERE](#)

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
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<tbody>
<tr>
<td>Sun, May 08</td>
<td>Arrival in Toronto</td>
</tr>
<tr>
<td>Mon, May 09</td>
<td>Toronto – Sales Calls and client dinner</td>
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<tr>
<td>Tue, May 10</td>
<td>Toronto – Morning sales calls and client lunch</td>
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<td></td>
<td>Afternoon flight to Minneapolis, Minnesota</td>
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<td>Wed, May 11</td>
<td>Morning client meeting, Evening client event</td>
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<tr>
<td>Thu, May 12</td>
<td>Morning flight to Chicago, Evening client event</td>
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<tr>
<td>Fri, May 13</td>
<td>Morning sales calls, Afternoon departure</td>
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**01 JUL**  
**Henley Royal Regatta**

Join us for an afternoon of networking with our clients and enjoy the games at Henley Royal Regatta.

**18-20 OCT**  
**IMEX America – Las Vegas, Nevada**

We currently have 24 hotels confirms in our booth and have more spaces available. To register: [CLICK HERE](#)

To register for any of the events above and to view our complete calendar of events live, please visit [preferred.weboom.com](http://preferred.weboom.com).

**Strategic Partnership Agreements Updates: Cvent FAQs**

**Why is this partnership of important for Preferred Hotels & Resorts globally?**

- Cvent has become the world’s largest online meeting & event sourcing platform, highlights include:
  - Revenue sourced has grown from $50 million in 2008, to over $10 billion in 2015
  - Almost 2 million RFPs were sourced in 2015, representing almost 30 million unique room nights.
- Cvent leads represented 40% of PH & R lead volume in 2015 (up from 30% in 2014), and over 7,000 total RFPs, almost $11 million in group room revenue.
- Key major travel Companies utilize Cvent as their sourcing platform, many with a proprietary version – American Express Global Meetings & Events, BCD Meetings & Events, Maritz Travel Company, Conference Direct, etc.
With the launch date of April 1, Preferred will officially be a “chain” within Cvent, along with traditional chains such as Four Seasons, Fairmont, Ritz-Carlton, Hyatt, Hilton, Starwood, etc. At this point in time, there are no other Independent chains on Cvent.

**Why is it important for meeting planners to have the Preferred chain affiliation?**
- Meeting planners who want to source Preferred hotels can quickly and easily find us through the chain search filter — and they can also filter by geography, hotel size, hotel type, amount of event space, and a variety of other filters. Prior to this, Preferred did NOT have a Brand Chain position.
- PH&R will be implementing our own PHR marketing on Cvent, which will create additional visibility, and awareness of our chain – and this will be linked to a chain page of our member hotels.

**Why is it important for our member hotels to opt-in to the Preferred chain filter?**
- There is NO cost to the hotel to be included with the Preferred chain within Cvent.
- Hotels will be included quickly and easily when a meeting planner has chosen to source RFP’s utilizing Preferred as a chain filter, and Preferred can be easily saved as a meeting planner’s favorites, resulting in more RFP opportunities!
- Preferred will be initiating brand marketing within Cvent. As a member hotel choosing to be listed under our chain, the hotel will be included on the brand page for any of our marketing efforts at no cost to them.
- There will also be opportunities to increase a hotel’s marketing presence in Cvent to influence demand, all with preferential pricing exclusive to Preferred members ranging from 5 – 20 % from what they could obtain directly, depending upon the market. These opportunities will be facilitated through the efforts of our Alliance Partner, Hyperdisk Marketing, the leading digital advertising agency for Cvent.
- Enhanced visibility, will get hotels greater exposure and corresponding RFP activity.

**FACTS**

**NO.** RFPs do not automatically go to the Preferred Sales Directors. A client must specifically “attach” an NSO contact to their RFP request.

**YES.** A hotel can be included as part of the Preferred chain filter and another chain filter. A hotel may have more than one affiliation.

**YES.** Our hotels will be included within a venue search when a client has selected Preferred as a brand filter, and when their search criteria (# of rooms, ballroom size, property type, location, etc.) matches your capabilities.

**YES.** The brand filter will make it much simpler for clients to search Preferred among their venue search when other brands are also considered.

**YES.** When a client submits an RFP for a hotel, and has attached an NSO contact, the request arrives simultaneously.

**YES. If a client selects to send an RFP directly to the hotel our NSO will not receive the lead.**

**YES.** A client may select more than one NSO contact, generally when multiple destinations are being searched. When this occurs, we recommend immediately advising your Preferred Sales Director, and allowing us to expedite promotion of your hotel against the alternative search options.

**NO.** There are no hidden costs as Preferred has paid Cvent to be a Chain Brand and has also invested in Brand Marketing dollars.

**YES.** A hotel must formally opt-in to be a part of the Preferred chain filter. Cvent requires specific legal language from each hotel to include them. The legal language is on the survey.

**When do hotels need to respond to the Opt-in Survey?** The first wave of surveys will be distributed March 17, 2016 to North America. Additional waves will be initiated next week and during the coming weeks for the rest of our global hotels. The deadline for opting in will be March 23, 2016. Yes, hotels will be continue to be added as responses are received. We will be submitting our updates weekly to Cvent following this initial cut-off.

If a hotel is not currently listed in Cvent and they would like to be, they should opt in and we will see that a Cvent representative is in touch with them.

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When do hotels need to respond to the Opt-in Survey?
The first wave of surveys was distributed March 17, 2016 to North America. International hotels opt-in surveys will initiated on April 1, 2016 and the deadline for opting in will be April 15, 2016. YES, hotels will be continue to be added as responses are received. We will be submitting our updates weekly to Cvent following this initial cut-off.

If a hotel is not currently listed in Cvent and they would like to be, they should opt in and we will see that a Cvent representative is in touch with them.

New Strategic Partnership – Enterprise Events Group
In early 2016 we completed a preferred agreement with Enterprise Events Group, a major $100 million incentive and meeting company in Northern California. They are a major power in the technology business and have over 100 employees. Jennifer Collins will be the contact on that major account.

iPrefer Planner Program
With the launch of this popular program in the UK and updates with the consumer iPrefer program, kindly note the new changes with iPrefer Planner effective February 12, 2016:

New Key Terms:
- Planners based in the US, Canada, Mexico, and the UK will only be able to earn points for programs booked through Preferred Hotels & Resorts North American National Sales Offices and/or the European Group Desk.
- PH&R will no longer award points to programs booked directly to hotels regardless when the contract was signed.
- Meeting professionals will earn 5 points for every US$1 spent on actualized room revenue at your property.
- If your hotel would like to purchase additional points, they will cost $0.025 per 10 points.

Key terms that will remain the same:
- Hotels will still have the option of purchasing iPrefer points for programs booked direct.
- In order for planners to request points for programs at your property, please advise him or her to complete the Request Points form on www.iPrefer.com/planner.

For updated FAQs and more information, please contact Winnie Le, Inside Sales Manager, at iPreferPlanner@preferredhotels.com.

A Note from our friend, Philip Wood
Philip Wood, Managing Director of The Jefferson, Washington, D.C., sent this note due to our unusual Presidential election in the US:

To the citizens of the United States of America from Her Sovereign Majesty Queen Elizabeth II

In light of your failure in recent years to nominate competent candidates for President of the USA and thus to govern yourselves, we hereby give notice of the revocation of your independence, effective immediately. (You should look up 'revocation' in the Oxford English Dictionary.)

Her Sovereign Majesty Queen Elizabeth II will resume monarchical duties over all states, commonwealths, and territories (except North Dakota, which she does not fancy). Your new Prime Minister, David Cameron, will appoint a Governor for America without the need for further elections. Congress and the Senate will be disbanded. A questionnaire may be circulated next year to determine whether any of you noticed.

To aid in the transition to a British Crown dependency, the following rules are introduced with immediate effect:
1. The letter ‘U’ will be reinstated in words such as ‘colour,’ ‘favour,’ ‘labour’ and ‘neighbour.’ Likewise, you will learn to spell ‘doughnut’ without skipping half the letters, and the suffix ‘-ize’ will be replaced by the suffix ‘-ise.’ Generally, you will be expected to raise your vocabulary to acceptable levels. (look up ‘vocabulary’).

2. Using the same twenty-seven words interspersed with filler noises such as ‘like’ and ‘you know’ is an unacceptable and inefficient form of communication. There is no such thing as U.S. English. We will let Microsoft know on your behalf. The Microsoft spell-checker will be adjusted to take into account the reinstated letter ‘u’ and the elimination of ‘-ize.’

3. July 4th will no longer be celebrated as a holiday.

4. You will learn to resolve personal issues without using guns, lawyers, or therapists. The fact that you need so many lawyers and therapists shows that you’re not quite ready to be independent. Guns should only be used for shooting grouse. If you can’t sort things out without suing someone or speaking to a therapist, then you’re not ready to shoot grouse.

5. Therefore, you will no longer be allowed to own or carry anything more dangerous than a vegetable peeler. Although a permit will be required if you wish to carry a vegetable peeler in public.

6. All intersections will be replaced with roundabouts, and you will start driving on the left side with immediate effect. At the same time, you will go metric with immediate effect and without the benefit of conversion tables. Both roundabouts and metrication will help you understand the British sense of humour.

7. The former USA will adopt UK prices on petrol (which you have been calling gasoline) of roughly $10/US gallon. Get used to it.

8. You will learn to make real chips. Those things you call French fries are not real chips, and those things you insist on calling potato chips are properly called crisps. Real chips are thick cut, fried in animal fat, and dressed not with catsup but with vinegar.

9. The cold, tasteless stuff you insist on calling beer is not actually beer at all. Henceforth, only proper British Bitter will be referred to as beer, and European brews of known and accepted provenance will be referred to as Lager. South African beer is also acceptable, as they are pound for pound the greatest sporting nation on earth and it can only be due to the beer. They are also part of the British Commonwealth - see what it did for them. American brands will be referred to as Near-Frozen Gnat's Urine, so that all can be sold without risk of further confusion.

10. Hollywood will be required occasionally to cast English actors as good guys. Hollywood will also be required to cast English actors to play English characters. Watching Andie Macdowell attempt English dialect in Four Weddings and a Funeral was an experience akin to having one's ears removed with a cheese grater.

11. You will cease playing American football. There is only one kind of proper football; you call it soccer. Those of you brave enough will, in time, be allowed to play rugby (which has some similarities to American football, but does not involve stopping for a rest every twenty seconds or wearing full kevlar body armour like a bunch of nancies).

12. Further, you will stop playing baseball. It is not reasonable to host an event called the World Series for a game which is not played outside of America. Since only 2.1% of you are aware there is a world beyond your borders, your error is understandable. You will learn cricket, and we will let you face the South Africans first to take the sting out of their deliveries.

13. You must tell us who killed JFK. It's been driving us mad.

14. An internal revenue agent (i.e. tax collector) from Her Majesty's Government will be with you shortly to ensure the acquisition of all monies due (backdated to 1776).

15. Daily Tea Time begins promptly at 4 p.m. with proper cups, with saucers, and never mugs, with high quality biscuits (cookies) and cakes; plus strawberries (with cream) when in season.