APPENDIX 3

THE
REZIDOR
HOTEL GROUP

Item 15
of AGM agenda

Item 15 - Board of Directors' Proposal for the principles for compensation to the Company's key management

The Board of Directors' proposal for principles for compensation and other employment terms of the Company's key management is, in essence that the compensation shall be individual and based on international market conditions and is set at a level required to recruit and retain management with appropriate competence, international experience and capacity to meet the Company's financial and strategic objectives. The Rezidor Hotel Group's corporate office is located in Brussels, Belgium, and key management consists of a diverse group of international executives. Key management means the Company's Executive Committee which includes seven persons, including the CEO.

The compensation shall consist of a balanced mix of base salary, variable salary, pension, a share-based incentive program and conditions for termination and termination payments. The total compensation considers *inter alia* competence, experience, responsibility and performance.

Matters regarding the terms of employment for the CEO will be prepared by the Board of Directors' compensation committee and will be resolved by the Board of Directors. The CEO resolves upon the terms of employment for the other Company key management after consent from the Board's compensation committee.

It is proposed that the Board of Directors shall be authorized to deviate from the principles for compensation of the Company key management if certain circumstances are at hand in a specific case.

Remuneration for Executive Committee 2009 (including CEO)

Remuneration TEUR	Base Salary	Variable Salary	Post employment compensation	Pension	Housing and company car	Total[1)]
Kurt Ritter (CEO)	1,057	242	1,239	208	158	2,904
The Executive Committee (incl. CEO) (11 persons[2])	4,507	738	1,239	519	655	7,658

1. The table above shows the gross amounts. The Executive Committee members are remunerated on a net basis. Due to special tax treatment rules in Belgium, the gross salary may differ from year to year.
2. The Executive Committee consisted of 11 persons until 31 March 2009, 10 persons until 31 August 2009, 8 persons until 30 November 2009 and thereafter 7 persons.

Remuneration components

Base Salary

The base salary is an appropriate portion of the total remuneration package and is reviewed each year and may be adjusted based on personal performance, changes in roles and responsibility, the Company's expected development and local directives in terms of cost of living.

Pension & Retirement

The Company's retirement age depends on local legislation. Three of the members of the Executive Committee are paid, in addition to the base salary, 10% in lieu of participation in a group pension plan. The other Executive Committee members participate in a group pension plan (defined contribution plans or defined benefit plans) (*for the CEO see below*).

Variable Salary

The basis for the annual variable salary scheme for 2010 for the Executive Committee is based on components such as group consolidated profitability, group consolidated cash flow, divisional profitability, the company growth target in terms of opened and contracted rooms and strategic objectives. The combination and weighting of these components depends on the executive's role. The maximum variable salary for the Executive Committee (other than for the CEO, see below) varies depending on target achievement and may for 2010 amount to between 45% and 75% of annual base salary depending on the executive's role.

Share-based incentive programs

2007 Programme

The Annual General Meeting on May 4th, 2007 resolved to approve of a share based long term incentive program (the "LTIP 2007"). The Executive Committee and other key employees (in total about 25 persons) have the possibility at their option to participate in a share-based incentive program. Participants in the programme will be given the opportunity, after a three year qualification period, to without consideration receive an allotment of Rezidor shares ("Performance Shares"). The extent of each senior executive's participation in the programme, and thus also the possibility to receive allotment of Performance Shares at the end of the qualification period of the programme, shall depend on two different parameters; partly on the participant's variable salary earned for performance during the financial year preceding the Annual General Meeting at which it is resolved to implement the programme ("Bonus based participation"), and partly on the number of shares in the Company that the participant holds ("Saving Shares"), provided that these are kept during the whole three year qualification period ("Savings based participation"). In addition, allotments of Performance Shares are conditional upon certain financial targets, linked to relative Total Shareholder Return ("TSR") and Earnings per Share ("EPS") as established in detail by the Board of Directors, being achieved during the three year qualification period. The three year performance period for the 2007 programme has ended, but there is no allotment of shares as none of the thresholds of the financial targets were met.

2008 Programme

The Annual General Meeting on April 23rd, 2008 resolved to approve of a share based long term incentive program (the "LTIP 2008") which is similar to LTIP 2007 but has the following main differences: The programme has 19 participants. There is no Bonus based participation, only a savings based participation related to Savings Shares which have not been allocated to the LTIP 2007. The performance based award has been staggered insofar as for each Savings Share the CEO and CFO receive three Performance Shares, the other nine members of the Executive Committee receive two Performance Shares and the other participants one Performance Share. In addition, all participants except for CEO, CFO, COOs (two persons) and CDO, are entitled to receive for each Savings Share without consideration the allotment of 0,5 shares of the Company conditional on continuous employment during the vesting period. Compared with LTIP 2007 which sets the limit at 25% of annual gross base salary, the LTIP

2008 allows the participants to invest 20% of annual gross base salary except for the CEO, CFO, COOs and CDO who may invest up to 40% of annual gross base salary.

2009 Programme

The Annual General Meeting on April 23rd, 2009 resolved to approve of a share based long term incentive program (the "LTIP 2009"). The programme has 26 participants. The extent of each senior executive's participation in the programme, and thus also the possibility to receive without consideration allotment of Performance Shares at the end of the three year qualification period of the programme is based on that the participant receives an allocation of conditional share based on a percentage of annual gross salary dependent on an executive's role. For the majority of the participants, the percentage is 15% with higher percentages applying for the Executive Committee members as follows:

CEO & CFO	50%
COOs (2 persons) CDO & EVP of Brands	35%
Other Executive Committee members	25%

In addition, allotments of Performance Shares are conditional upon certain financial targets, linked to relative Total Shareholder Return ("TSR") and Earnings per Share ("EPS"), being achieved during the three year qualification period.

2010 Programme

The Board of Directors will propose to the Annual General meeting to be held on April 16th, 2010 the adoption of a share based long term incentive program (the "LTIP 2010") that is broadly consistent with the LTIP 2009. The programme shall comprise of no more than 30 participants. Same as for LTIP 2009, the allotments of Performance Shares are conditional upon the Company achieving certain financial targets, linked to relative Total Shareholder Return ("TSR") and Earnings per Share ("EPS") during the three year qualification period. The number of shares that the participant can potentially receive at the end of the three year period is based on a percentage of annual gross salary dependent on an executive's role. For the majority of the participants the percentage is 30% with higher percentages applying for the Executive Committee members as follows:

CEO & CFO	100%
COO & CDO	60%
Other Executive Committee members	45%

The percentages applied in LTIP 2009 and LTIP 2010 reflect a similar dilution given the change in share price of the Company.

Conditions for termination and termination payments

For members of the Executive Committee the notice period for termination of their agreements is between three and six months. If their agreements are terminated by the Company, the severance pay would amount to between one and three years annual remuneration. Regarding termination of the CEO, see below.

Other Benefits

Other benefits consist mainly of car and housing benefits, according to the prevailing policy as is revised by the Board's compensation committee from time to time.

Remuneration of the CEO

The remuneration for the CEO (exclusive of social security costs) is as follows:

	For the Year Ended Dec. 31	
TEUR	**2009**	**2008**
Base Salary[1)]	1,057	834
Variable Salary[2)]	242	144
Post Employment Compensation[3)]	1,239	-
Pension	208	299
Housing and company cars	158	139

1. The net base salary for the CEO amounted to TCHF 1,046 (951). The gross salary differs from year to year due to special tax treatment rules in Belgium. The gross salary in EUR is also dependant on the exchange rate between EUR and CHF.
2. TEUR 79 of the variable salary in 2008 is related to the provision made for the entitlement for 2008. As further described below, the CEO in March 2009 has agreed to forgo his variable salary for 2008 and the amount is consequently reversed in 2009.
3. As further outlined below, the CEO is entitled to a post employment compensation upon retirement corresponding to three times the annual base salary for 2010 plus a fixed amount of TEUR 422. The costs for this post employment compensation are expensed over the remaining term of his employment.

In September 2008, the CEO's employment agreement was extended to February 28th, 2012. The annual net base salary of the CEO as of January 1st, 2009 is 1.045.875 CHF. The minimum annual increase in the contracted net base salary of the CEO remains at 5% with January 1st, 2010 as the first annual revision. In addition, the CEO is entitled to certain benefits such as housing, car and travel allowances.

The CEO participates in a contribution pension scheme to which the Company makes annual contributions in an amount equal to 41% of his annual net base salary until the termination of his employment. The CEO's pension age is 65.

Based on pre-set targets (see above under Variable Salary), the variable salary can, from January 1st, 2009, be 75% of the CEO's annual base salary if targets are achieved and a maximum of 150% of base salary if higher targets are achieved, and with 200% of such salary if stretch goals are achieved. The annual variable salary shall be earned and paid in two portions: (i) 50% paid latest by 1st of May each year, and (ii) 50% to be contingent upon that the CEO on February 28th, 2012 retires with pension from the Company and will become due and payable on March 1st, 2012. However if the CEO's employment is terminated by the Company without reasons or in the event of the CEO's death or non temporary incapacity to fulfil his duties by reason of sickness or injury prior to said date then the CEO shall nevertheless be entitled to receive the payment of the second portion of the variable salary.

Either Rezidor or the CEO may terminate the agreement upon six months' written notice. Pursuant to the original employment agreement executed prior to the Company's listing in November 2006 the CEO was entitled to receive upon his retirement on February 28th, 2009, an amount, net of taxes, corresponding to three times the then applicable base salary (for 2009) plus a fixed amount of 422,000 Euro. In connection with the extension of the CEO's employment contract in September 2008, it was agreed that payment of the total amount will be made to the CEO in three equal instalments on February 28th, 2009, February 28th, 2010 and February 28th, 2011, provided that if his employment is terminated by either him or the Company after February 28th, 2009, any amounts then outstanding of this sum shall be paid to the CEO upon the effective date of termination. The same shall apply in the event of the CEO's death or non temporary incapacity. In light of the current market conditions the CEO's employment agreement was amended in March 2009. The CEO agreed to forgo his entitlement to the variable salary for 2008 and further defer the payment of the total amount owed to him until February 28th, 2012 when a lump sum payment will be due to him corresponding to three times the annual base salary for 2010 plus a fixed amount of 422,000 Euro. If the Company or the CEO terminates the employment agreement, then any amounts outstanding of this sum shall be paid to the CEO upon the effective date of termination. The same shall apply in the event of the CEO's death or non temporary incapacity. Subject to the aforementioned the Company will be under no obligation to the CEO than to provide all employment benefits during the term of notice and in such case the CEO shall not be entitled to any severance payment or any other kind of compensation as a result of the termination of his employment.

Stockholm in March 2010

The Board of Directors of Rezidor Hotel Group AB (publ)