

**Proposal for
Share Based Incentive Programme 2009**

In 2009, the Board of Directors of Rezidor proposes offering conditional awards of shares with the opportunity linked to a % of salary

- Participation to include up to 30 senior executives
- Award of conditional shares equal in value to a % of salary will be dependent on an executive's role
 - Note: participation does not require the executive to purchase Rezidor shares, nor is it linked to the earned annual bonus (as in previous years)
- Shares to vest 25% on 3-year EPS development and 75% on relative TSR
- EPS-based awards to vest subject to achievement of 3-year development targets
 - awards vest in full for EPS growth of 20% p.a.
 - 20% to vest for EPS growth of 0% p.a.
- TSR-based awards to vest 75% on Rezidor's TSR % outperformance of a hotels comparator group and 25% on Rezidor's TSR % outperformance of the constituent companies of the OMXS 30 Index
 - awards vest in full for Index TSR+8% p.a.
 - 20% to vest for Index TSR
- Shares to accrue dividends over the 3-year vesting period (but will be paid only on those shares which vest)

TSR-based awards will vest 75% subject to Rezidor's 3-year TSR outperformance of the hotels group¹ used in the 2007 and 2008 PSP cycles and 25% on Rezidor's 3-year TSR outperformance of the constituent companies of the OMXS 30 Index

Hotels TSR comparator group
(75% of TSR-based awards)

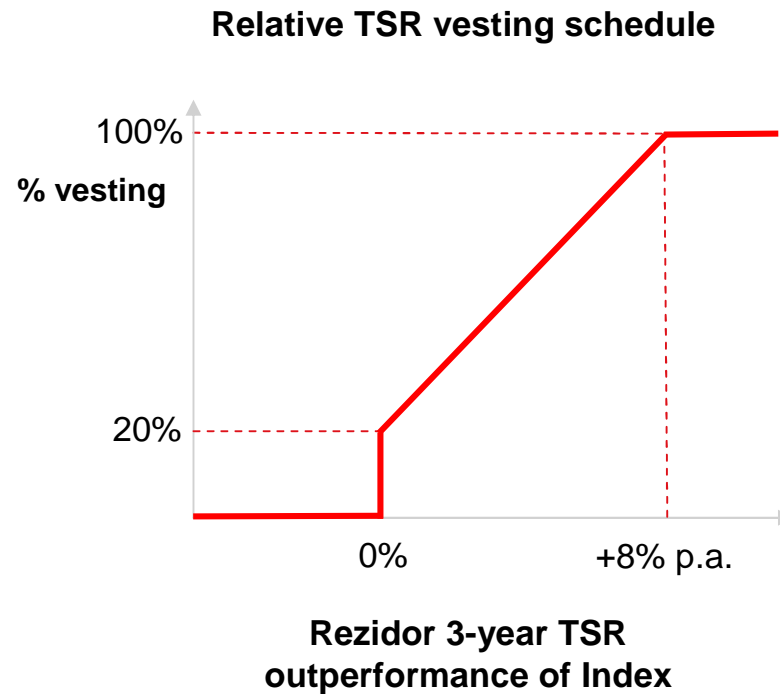
Company
Accor SA
Choice Hotels International
Intercontinental Hotels Group
Interstate Hotels & Resorts
Marriott International Inc
Millennium & Copthorne Hotels
NH Hotels
Orient-Express Hotels
Shangri-La Asia Ltd
Sol Melia
Starwood Hotels & Resorts

OMXS 30 Index constituents
(as of March 2009; 25% of TSR-based awards)

Company	
ABB	Sandvik
Alfa Laval	Scania
Assa Abloy	SEB
AstraZeneca	Securitas
Atlas Copco (A & B)	Skanska
Boliden	SKF
Electrolux	Ssab Svenskt Stal
Eniro	Svenska Cellulosa
Ericsson	Svenska Handelsbanken
Hennes & Mauritz	Swedbank
Investor	Swedish Match
Lundin Petroleum	Tele2
Nokia	TeliaSonera
Nordea Bank	Volvo

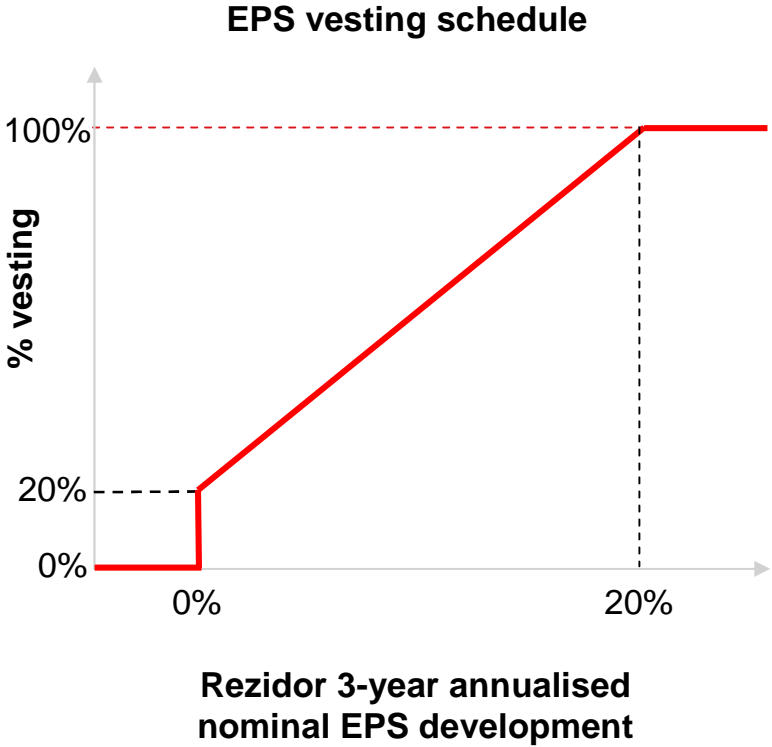
¹ Albeit excluding companies now delisted through acquisition

TSR-based awards will vest on Rezidor’s outperformance of ‘Index’ TSR, as in previous PSP cycles. The proposed full-vesting performance level (+8% p.a.) is broadly equivalent to an upper quartile performance level for Rezidor



For both TSR benchmarks, ‘Index’ is defined as the median TSR of the benchmark constituents

EPS-based awards will vest in full for achieving 3-year EPS growth of 20% p.a.



The following 2009 PSP award levels¹ (value of shares on date of grant) are proposed

Role	Proposed 2009 PSP award (face value as % of base salary)
Chief Executive Officer	50%
Chief Financial Officer	
Chief Operating Officers	35%
Chief Development Officer	
Executive Vice President of Brands	
Other Executive Committee member	25%
<i>Other participants</i>	15%

¹ The 2009 PSP is subject to a cap of 1.7m shares. Awards will be proportionately scaled back if the grant-date share price (based on the average share price over the preceding 5 trading days) results in more than 1.7m shares (including those necessary to cover social security costs and other costs related to the PSP) being required to provide the proposed award levels

**The maximum cost of the 2009 PSP would be c.€2.5m
(c.f. €5.4m in 2008) and would require the purchase of c.1.7m¹ shares**

Review of the potential costs of the proposed 2009 PSP

Scenario	Assumptions	Estimated cost to Rezidor		
	PSP award vesting level (of maximum)	Performance share award	Social security cost ²	Total cost to Rezidor
1	20% of max	€394k	€102k	€496k
2 (expected)	30%	€591k	€153k	€743k
3 (maximum)	100%	€1,969k	€509k	€2,478k

(1) Based on a share price in February 2009 of 15 SEK

(2) Assumes no share price appreciation over the performance period, for simplicity