

## **Report on the work of the Nominating Committee of Rezidor Hotel Group AB**

At Rezidor Hotel Group AB's (the "Company") Annual General Meeting on April 23<sup>rd</sup>, 2008 a procedure for the appointment of the Nominating Committee was decided. Pursuant to such procedure the Nominating Committee was established and the names of the members were published in a press release issued by the Company on 22 October 2008. The Nominating Committee consists of Mr. William van Brunt (Carlson group), Mr. Brian Meyer (Fir Tree Funds), Mr. Peter Rudman (Nordea Investment Funds) and Mr. Urban Jansson (Chairman of the Board of Directors of Rezidor Hotel Group). The members of the Nominating Committee have decided to appoint Mr. William van Brunt to chair the committee.

The Nominating Committee has worked in accordance with the procedure adopted by the Annual General Meeting and also in accordance with the Swedish Code of Corporate Governance. The Nominating Committee has held three minuted meetings since the Annual General Meeting of 23<sup>rd</sup> April 2008. In addition the members of the Nominating Committee have had informal telephone contacts in relation to its proposals for the Annual General Meeting 2009. The Nominating Committee began its work in December 2008.

The Nominating Committee has obtained information from the Chairman of the Board on the work of the Board of Directors and on the Company's situation. The Chairman of the Board of Directors has also reported on the results of the assessment that was carried out on the internal work of the Board of Directors in 2008.

Concerning the proposal for the election of the auditors of the Company the Nominating Committee has based its proposal for auditors on the work and recommendations of the Audit Committee of the Board of Directors. For the purpose of ensuring an appropriate and cost efficient audit of the Rezidor group, a tender of audit services was made, whereby offers from four accounting firms were requested. The evaluation of the offers was made from a number of pre-determined criteria, including among other things the proposed auditors and audit teams and their qualities and relevant experience as well as the audit costs. The Nominating Committee has also interviewed the chartered accountant Mr. Thomas Strömberg from Deloitte AB as part of the process of evaluating the proposed auditor of the Company.

Furthermore the Nominating Committee has evaluated the amounts of the fees to the Board of Directors and the remuneration for committee work and has come to the conclusion that fees should be unchanged compared to last year.

## **The Nominating Committee submits the following proposals to Rezidor Hotel Group AB's Annual General Meeting 2009.**

### ***Number of Board members elected by the Annual General Meeting***

The Nominating Committee's proposal regarding the number of Board members is nine without deputy members. Thus, the number of Board members remains unchanged.

### ***Board members***

The Nominating Committee proposes that the following Board members be re elected to the Board of Directors: Mr. Göte Dahlin, Mr. Harald Einsmann, Mr. Urban Jansson, Mr. Hubert Joly, Mrs. Ulla Litzén, Mrs. Trudy Rautio, Mr. Barry Wilson, Mr. Jay Witzel and Mr. Benny Zakrisson.

No proposals for Board members have been submitted to the Nominating Committee from other shareholders.

Based on the current version of the Swedish Code of Corporate Governance the Nominating Committee makes the following assessment of independency of the proposed members. Five of the proposed members are independent in relation to the Company and its management and major shareholders, and four of the proposed members are not independent of the Company and its management nor of major shareholders.

***Chairman of the Board of Directors***

The Nominating Committee proposes that the present Chairman of the Board of Directors, Mr. Urban Jansson, continues in office.

***Chairman of the Annual General Meeting***

The Nominating Committee proposes that Dick Lundqvist, attorney at law, be elected as Chairman of the Annual General Meeting.

***Remuneration to the Board of Directors***

The Nominating Committee's proposal for annual remuneration to Board members is that it should remain at the same level as last year, i.e. a total of €388,000 of which €35,000 relates to committee work, to be apportioned amongst the members elected at the Annual General Meeting as follows:

- Chairman of the Board: € 65,000,
- Other Board members elected by the Annual General Meeting: € 36,000,
- Chairman of the Board's Audit Committee: € 7,500,
- Other members of the Audit Committee: € 3,750,
- Chairman of the Board's Compensation Committee: € 5,000,
- Other members of the Board's Compensation Committee: € 2,500,
- Chairman of the Board's Finance Committee: € 5,000,
- Other members of the Finance Committee: € 2,500,

Provided that if a Board member serves on more than one committee, that Board member should only be compensated for service on one committee.

***Remuneration Auditors***

The Nominating Committee's proposal for remuneration to the Auditors is payment of approved invoices.

***Auditors***

The Nominating Committee proposes the election of the registered public accounting firm Deloitte AB as the Company's auditor for a four year period until the end of the 2013 Annual General Meeting. Deloitte AB has informed that if it is elected as auditor, the chartered accountant Mr. Thomas Strömberg will be responsible for the audit.

***Proposal for appointment of the Nominating Committee for the Annual General Meeting 2009***

The Nominating Committee proposes the following with respect to the Company's nomination procedure:

The Company shall have a Nominating Committee consisting of members appointed by each of the three largest shareholders (number of votes) and the Chairman of the Board. The names of the three owner representatives and the shareholders they represent must be published by the Company as soon as the Nominating Committee has been appointed but no later than six months before the Annual General Meeting. The largest shareholders will be contacted by the Chairman of the Board based on the Company's index of registered shareholders provided by Euroclear Sweden AB (formerly VPC AB) as of 31 August 2009.

If any of the three largest shareholders declines to exercise its right to appoint a member to the Nominating Committee, then the next largest shareholder must be given the opportunity to appoint a member. The term of office for the Nominating Committee lasts until a new nominating committee is appointed. The chair of the Nominating Committee must be the member who represents the largest shareholder, unless the members unanimously agree on another chair. If a member leaves the Nominating Committee before his/her work is completed, then the shareholder that appointed the member has the right to appoint a new Nominating Committee member. The members of the Nominating Committee do not receive remuneration.

If a significant change occurs in the Company's ownership structure and a shareholder (which after this significant ownership change becomes one of the three largest shareholders) expresses the desire to be a Nominating Committee member, then the Nominating Committee shall offer the shareholder a place on the Nominating Committee by replacing the representative of the smallest shareholder (number of votes) on the Nominating Committee.

If any of the shareholders who appointed a representative to the Nominating Committee sells a substantial part of its shares in the Company before the Annual General Meeting, then the member appointed by such shareholder shall resign and be replaced by a new member appointed by a shareholder who as a result of the change in the Company's ownership structure has become one of the three largest shareholders or if such shareholder declines then the next largest shareholder is given the opportunity to appoint a member. Changes in composition of the Nominating Committee must be immediately publicly announced.

The Nominating Committee's task is to submit proposals to the Annual General Meeting for:

- Election of the Annual General Meeting chair,
- Election of Board members and the Board chair,
- Board remuneration with specifications for Board chair and other Board members and possible remuneration for Board committee work,
- An auditor (when required), deputy auditor (as needed), and auditors' fees,
- Principles regarding appointment of members of the Nominating Committee.

The Nominating Committee is entitled to engage and charge the Company for the cost of recruitment consultants and other consultants that are necessary for the Nominating Committee to fulfill its obligations. Besides its other obligations, the Nominating Committee must perform the tasks required by the Swedish Code of Corporate Governance for Nominating Committees.

Shareholders may submit nomination proposals to the Nominating Committee; such proposals must be sent to the attention of the Nominating Committee at the address found on the Company's web site. The proposals of the Nominating Committee shall be included in the notice that convenes the Annual General Meeting. The proposals are also published on the Company's web site.

On behalf of Rezidor Hotel Group AB (publ) Nominating Committee

23 March 2009

William van Brunt  
Chairman