

## **Rezidor Hotel Group AB (publ)**

### **NOTICE TO ATTEND THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS**

*The shareholders of Rezidor Hotel Group AB (publ) (the "Company") are hereby summoned to the Annual General Meeting of the shareholders to be held on Wednesday 23 April 2008, 10 am CET, at Radisson SAS Royal Viking Hotel, Vasagatan 1, Stockholm. Registration for the meeting will commence at 8.30 am CET.*

#### **A. Participation**

Shareholders who wish to participate in the Annual General Meeting must be recorded as shareholder in the register of shareholders maintained by VPC AB (the Swedish Securities Register Centre) on 17 April 2008, and notify the Company of their intention to attend the Annual General Meeting no later than on 17 April 2008, at 4 pm CET. The notification shall be made in writing to Rezidor Hotel Group AB (publ), PO Box 47021, 100 74 STOCKHOLM, by telephone +46 (0)8 – 775 80 25, Mondays to Fridays 9 am – 4 pm CET, by facsimile (marked *Rezidor*) +46 (0)8 – 775 80 08, or by e-mail to [AGM@Rezidor.com](mailto:AGM@Rezidor.com). When notifying the Company the shareholders shall state their name, personal identity number/registration number, address, telephone number and registered holding of shares. Shareholders who are represented by a proxy should send the original power of attorney, signed and dated by the shareholder, to the Company in advance of the Annual General Meeting. Notification forms and form powers of attorney are available at the Company's website [www.Rezidor.com](http://www.Rezidor.com). Shareholders wishing to bring one or two assistants should notify the Company thereof by the same procedure as stated above for the shareholders participation in the Annual General Meeting. Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must, in order to be entitled to participate in the Annual General Meeting, request that their shares are temporarily re-registered in their own names in the register of shareholders maintained by VPC AB. Such registration must be effected by VPC AB not later than 17 April 2008. This means that shareholders who need such registration must well in advance of 17 April 2008 notify the nominee thereof.

Any personal record data from powers of attorney and the register of shareholders maintained by VPC AB will be used for necessary registration and preparation of the voting list for the Annual General Meeting.

#### **B. Matters at the Annual General Meeting**

##### **B.1 Proposed Agenda**

1. Opening of the meeting.
2. Election of the chairman of the meeting.
3. Election of one or two persons to certify the minutes.

4. Preparation and approval of the voting list.
5. Approval of the agenda
6. Consideration of whether the meeting has been properly called.
7. Presentation of the annual accounts and the auditors' report and the consolidated accounts and the consolidated auditors' report.
8. The President & Chief Executive Officer's speech.
9. Report by the chairman of the Board of Directors on the work of the Board of Directors, the compensation committee, the audit committee and the finance committee and report on the work of the Nominating Committee.
10. Resolutions regarding:
  - a) adoption of the profit and loss account, the balance sheet and the consolidated profit and loss account and the consolidated balance sheet,
  - b) allocation of the Company's result according to the approved balance sheet, and
  - c) discharge from liability for the members of the Board of Directors and the President & Chief Executive Officer.
11. Determining the number of members of the Board of Directors.
12. Decision on remuneration of the Board of Directors and the auditors.
13. Election of the Board of Directors and Chairman of the Board of Directors.
14. Decision on the Nominating Committee for the next Annual General Meeting.
15. Decision on the principles for compensation of the Company's key management.
16. Decision on a share based incentive programme for the Company's key management.
17. Decision on authorisation for the Board of Directors to resolve on the acquisition and transfer of the Company's own shares.
18. Other matters incumbent on the Annual General Meeting under the Companies Act or the Company's articles.
19. Closing of the meeting.

## **B.2 Proposals for decision**

### Item 2 – Proposal for chairman of the meeting

As chairman of the Annual General Meeting the Nominating Committee proposes Dick Lundqvist, attorney at law.

### Item 10b) - Allocation of the Company's result

The Board of Directors proposes a dividend of Euro 0.10 per share, and that the record day for the dividend be 28 April 2008. If the Annual General Meeting decides in accordance with the proposal, the payment of the dividend would be sent out via VPC AB on 6 May 2008.

### Items 11-13 - Proposal for the election of the Board of Directors, remuneration, etc.

The Nominating Committee, formed in accordance with the nomination procedure decided by the Annual General Meeting on 4 May 2007, which represents the three largest shareholders, has stated, in relation to these items on the agenda that it will make the following proposals for decision by the shareholders:

- that the number of members of the Board of Directors shall amount to nine;
- that the total remuneration to be apportioned amongst the members of the Board of Directors elected at the Annual General Meeting shall amount to 388.000 Euro, of which 35.000 Euro relates to Board committee work. Out of the total remuneration 65.000 Euro shall be paid to the Chairman of the Board of Directors, and 36.000 Euro to each of the other directors and in addition 7.500 Euro to the chairman of the audit committee, and 5.000 Euro to the respective chairman of the compensation committee and finance committee and 3.750 Euro for each member of the audit committee and 2.500 Euro for each member of the compensation and finance committees. A Board member may only receive remuneration for participation in one Board committee;
- that the auditors shall be entitled to a fee corresponding to the amount invoiced and approved;
- that the following persons are re-elected to the Board of Directors: Göte Dahlin, Urban Jansson, Harald Einsmann, Ulla Litzén, Trudy Rautio, Barry Wilson, Jay S. Witzel and Benny Zakrisson;
- that the following person is elected to the Board of Directors: Hubert Joly;
- that Urban Jansson is re-elected as Chairman of the Board of Directors.

Hubert Joly (born 1959) is the President and Chief Executive Officer of Carlson Companies Inc. since 1 March 2008. He previously served as the President and Chief Executive Officer of Carlson Wagonlit Travel since 2004 and as Executive Vice President at Vivendi Universal from 1999 to 2004. He is a member of the supervisory board of the Aspen Institute France and a board member of the American Chamber of Commerce in France.

For further details about Hubert Joly please see the Company's website [www.rezidor.com](http://www.rezidor.com).

The Nominating Committee recommends that the members of the Board of Directors use 25% of the net remuneration (after tax) to purchase shares in the Company.

It is noted that the registered public accounting firm Deloitte AB, which was elected as auditor at the annual general meeting held in 2005, will remain as auditor with Peter Gustafsson as the auditor in charge.

#### Item 14 – Proposal for appointment of the Nominating Committee

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

The Company must 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 VPC AB as of 31 August 2008. 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 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 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 fulfil 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.

Item 15 – Proposal for determining the principles for compensation to the Company's key management

The Board of Directors' proposal for principles of compensation and other employment terms of the Company's key management is, in summary that the compensation shall be individual and based on international market terms and set at a level required to recruit and retain management with appropriate competence and capacity to meet the Company's financial and strategic objectives. With key management means the Company's Executive Committee which includes 11 persons including the President & Chief Executive Officer.

The compensation shall consist of a balanced mix of basic salary, variable bonus salary, pensions, a share-based incentive program for the key management and conditions for termination and termination payments.

The variable salary shall be according to international market terms, shall reward growth and earnings of the business and have a uniting effect for the Group. There shall be a maximum limit for the annual variable bonus salary which varies between 40% and 50% of annual basic salary. Remuneration in the form of a long term share related incentive programme is dealt with under item 16.

Issues regarding the terms of employment for the President & Chief Executive Officer will be prepared by the Board of Director's compensation committee and will be resolved by the Board of Directors. The President & Chief Executive Officer 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 authorised to deviate from the principles for compensation of the Company's key management if certain circumstances are at hand in a specific case.

Item 16 – Share based incentive programme

**Proposal for resolutions regarding A) the implementation of a long-term, performance-based incentive programme, B) acquisitions and transfers of own shares on a regulated market and C) transfers of acquired own shares to participants in the incentive programme**

**Background and description**

A long-term incentive programme for the senior executives of the Group was approved by the Annual General Meeting 2007. The Board has engaged an independent advisor to evaluate the programme. As a result of the independent advisor's evaluation, the Board of Directors considers that, in relation to the programme approved by the Annual General Meeting 2007, a partly revised and simplified long-term, performance-based incentive programme should be proposed to the Annual General Meeting 2008 and be implemented for the senior executives of the Group. The purpose of the proposed programme is to ensure that remuneration within the Group helps align executives with shareholder interests, that a suitable proportion of the remuneration is linked to Company performance and that it encourages senior executive share ownership.

The Board also considers that the proposed programme supports the retention of senior executives, reflects market practice and improves the attractiveness of the programme for participants.

Participants in the programme will be given the opportunity, after a three-year qualification period, to without consideration receive allotments of Company shares (“Matching Shares” and “Performance Shares”). Matching Shares require only continued employment during the qualification period, whereas Performance Shares also require achievement of certain financial targets. The qualification period runs from the day rights under the programme are awarded until the day for allotment of Matching Shares and Performance Shares. The extent of each senior executive’s participation in the programme, and thus also the possibility to receive allotments of Matching Shares and Performance Shares, shall depend on the number of shares in the Company that the participant acquires or already holds and which are not allocated to another incentive programme (“Savings Shares”), provided that these are kept during the whole three-year qualification period. Allotments of Performance Shares are in addition conditional upon certain financial targets, linked to relative Total Shareholder Return (“TSR”) and growth in Earnings per Share (“EPS”), being achieved during a three-year performance period comprising the financial years 2008 – 2010.

Incentive programmes in accordance with the principles set out above may be implemented also in forthcoming years, provided that each relevant Annual General Meeting resolves to that effect. For 2008 the Board of Directors proposes that the Annual General Meeting resolves on the implementation of a long-term, performance-based incentive programme with the main terms and conditions set out below (“Performance Share Programme 2008”).

**The Board of Director’s main proposal for a resolution is described under items A) – C) below**

*A) Main terms and conditions for the Performance Share Programme 2008*

The Performance Share Programme 2008 shall comprise no more than 30 senior executives within the Group. The term of the Performance Share Programme 2008 shall be three years and the programme shall in total comprise no more than 1,860,000 shares – of which no more than 1,380,000 shares may be transferred to participants in the programme as Matching Shares and/or Performance Shares and no more than 480,000 shares may be transferred on a regulated market to cover social security costs – in total equivalent to no more than 1.24 per cent of the shares and the votes in the Company.

With the exception of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officers and the Chief Development Officer (in total five individuals), who are not entitled to any Matching Shares, participants are given the opportunity to receive without consideration allotments of a maximum of one-half (0.5) Matching Share for each Savings Share.

The Chief Executive Officer and the Chief Financial Officer are given the opportunity, provided that the TSR and EPS targets are achieved, to receive without consideration allotments of a maximum of three (3) Performance Shares for each Savings Share. Other members of the Executive Committee are given the opportunity, provided that the TSR and EPS targets are achieved, to receive without consideration allotments of a maximum of two (2) Performance Shares for each Savings Share. Other participants are given the opportunity, provided that the TSR and EPS targets are achieved, to receive without consideration allotments of a maximum of one (1) Performance Share for each Savings Share.

The total value of Savings Shares for each participant is limited to 40 per cent of the 2008 base salary before taxes for the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officers and the Chief Development Officer (in total five individuals), and to 20 per cent of the 2008 base salary before taxes for other participants, where the calculation shall be based on the average market value of the Company's share during a period of five (5) trading days prior to the date rights under the Performance Share Programme 2008 are awarded.

The financial targets, and thus the allotment of Performance Shares, will during a three-year performance period comprising the financial years 2008 – 2010 be based 75 per cent on the Company's TSR relative to a comparator group of 11 publicly traded international hotel companies and 25 per cent on the Company's EPS growth. TSR is equal to the overall return a shareholder would receive on his shareholding taking into account both share price appreciation and dividends (if any). The Board of Directors believes that linking the allotment of Performance Shares to both TSR and EPS growth improves the programme's robustness, is more motivational for participants, and is more in line with market practice.

The financial targets for allotments of Performance Shares under the Performance Share Programme 2008 include a minimum level which must be achieved in order for any allotment to occur at all, as well as a maximum level in excess of which no additional allotment will occur. Should lower financial targets than the maximum level be achieved during the three-year performance period, a lower number of Performance Shares may thus be allotted.

Allotments of Matching Shares and Performance Shares will take place in conjunction with the announcement of the Company's first quarterly report in 2011. Recalculation of the conditions for receipt of Matching Shares and Performance Shares shall take place in the event of an intervening bonus issue, split, preferential rights issue and/or other similar events. Further, the programme contains a dilution limitation meaning that the number of Matching Shares and Performance Shares that may be transferred to participants in the programme will be decreased proportionally should the market value of the Company's share, during a period until the expiration of the above mentioned period for establishing the market value of the Company's share, result in an aggregate number of Matching Shares and Performance Shares (including the number of shares necessary to cover potential costs for social security charges related to the Matching Shares and the Performance Shares) that exceeds 1,860,000 shares.

Upon termination of the employment within the Group during the three-year qualification period the right to receive allotments of Matching Shares and Performance Shares normally lapses. The Board of Directors shall under certain circumstances be entitled to adjust or terminate the Performance Share Programme 2008 in advance. In addition, the Board of Directors shall be entitled to make such local adjustments of the programme that may be necessary to implement the programme with reasonable administrative costs and efforts in the concerned jurisdictions.

*B) Acquisitions and transfers of own shares on a regulated market*

The Board of Directors is authorised to, on one or several occasions, however until the Annual General Meeting 2009 at the latest, decide on acquisitions and transfers of own shares. Acquisitions and transfers may only be effected on the OMX Nordic Exchange Stockholm and only to a price within the from time-to-time registered range of prices (spread). No more than 1,380,000 shares may be acquired to secure delivery of shares to participants in the Performance Share Programme 2008. No more than 480,000 shares may be acquired and transferred to cover social security costs.

*C) Transfers of acquired own shares (as Matching Shares and Performance Shares) to participants in the Performance Share Programme 2008*

No more than 1,380,000 shares may be transferred to participants in the Performance Share Programme 2008. Entitled to acquire shares without consideration shall be such persons within the Group that are participants in the Performance Share Programme 2008. Further, subsidiaries shall be entitled to acquire shares without consideration, in which case such company shall be obliged, pursuant to the terms and conditions of the Performance Share Programme 2008, to immediately transfer shares to such persons within the Group that participate in the Performance Share Programme 2008. Transfers of shares shall be made without consideration at the time and on such additional terms and conditions that participants in the Performance Share Programme 2008 are entitled to receive allotment of shares. The number of shares that may be transferred is subject to recalculation in the event of an intervening bonus issue, split, preferential rights issue and/or other similar events.

The Board of Directors' proposal pursuant to items A) – C) above shall be resolved on as one decision and requires that the resolution is supported by shareholders representing no less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting.

Item 17 – Authorisation for the Board of Directors to resolve on the acquisition and transfer of the Company's own shares

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors, at one or several occasions, however at the latest until the Annual General Meeting 2009, to decide on acquisitions of the Company's own shares and transfer of the Company's own shares. The purpose of the proposal is to give the Board of Directors an increased capacity to act in respect of organising the capital structure of the Company.

Acquisitions of the Company's own shares may take place on the OMX Nordic Exchange Stockholm and by offers to the shareholders. Acquisitions may be made so that the holding of the Company's own shares does not exceed one tenth of all the shares in the Company (including shares that, as the case may be, are acquired in accordance with item 16) and transfers by not more than the number of shares held by the Company at any given time.

Transfers of the Company's own shares may take place on OMX Nordic Exchange Stockholm or in another manner than on the OMX Nordic Exchange Stockholm. Transfers may be made by not more than the number of shares held by the Company at any given time and shall include the right to make decisions to deviate from the preferential right of the shareholders. The Company's own shares may be transferred with or without provisions regarding payment in kind or provisions regarding set off.

**C. Other**

The annual accounts and the auditors' report and the Board of Directors' statement on the proposed dividend and complete proposals and statements regarding the agenda items 15-17 will be kept available at the Company's office at Rezidor Hotel Group AB (publ), Hemvärnsgatan 15, Box 6061, 171 06 SOLNA, from Thursday 20 March 2008. The Board of Directors' complete proposals to resolutions will also be available at the Company's website: [www.Rezidor.com](http://www.Rezidor.com) and will be presented at the Annual General Meeting. Copies of the documents will be sent to shareholders that so request and state their address. At the time for publication of the notice for the Annual General Meeting 2008 there are in total 150.002.040 shares and votes in the Company.

Stockholm in March 2008

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

-----