

The Board of Directors' report on the Compensation Committee's evaluation of the remuneration to the key management of Rezidor Hotel Group AB (publ) in accordance with the Swedish Corporate Governance Code

The Board of Directors of Rezidor Hotel Group AB (publ) (the “**Company**”) has, in accordance with section 9.1 of the Swedish Corporate Governance Code (the “**Code**”), established a Compensation Committee. The objective of the Compensation Committee is to, *inter alia*, prepare matters concerning compensation and other benefits for the Company's key management (*i.e.* the Company's Executive Committee) and other senior executives of the Rezidor Group. Since the Annual General Meeting 2014, the Compensation Committee has consisted of the Chairman of the Board of Directors Trudy Rautio and Board members Wendy Nelson, Anders Moberg and Charlotte Strömberg.

General description of the remuneration to the Executives Committee

The remuneration granted to the members of the Executive Committee may consist of (i) fixed annual base remuneration, (ii) variable remuneration (annual and multi-year), (iii) pension contributions and (iv) other benefits. Remuneration and other terms of employment for the members of the Executive Committee shall be competitive and in line with international market practice as defined by a peer group of international companies, both in terms of the level and the structure of the individual components of remuneration. Further information on remuneration paid to the members of the Executive Committee is found in the Annual Report 2014.

The Board of Directors report on the Compensation Committee's evaluation

In accordance with section 10.3 of the Code, the Board of Directors hereby gives the following report on the results of the Compensation Committee's evaluation of the remuneration to the members of the Executive Committee.

Overall, the Compensation Committee's evaluation, as well as the auditor's review, has resulted in the conclusion that the programs for variable compensation have been appropriate and in accordance with the principles adopted by the Annual General Meeting. Further, the principles for compensation of the key management are deemed to have served their purposes. No deviations from the principles have been made during 2014. The view of the Board of Directors is also that the remuneration to the members of the Executive Committee is well-balanced and in line with market practice (observed among peers) and also aligned with the shareholder's interests.

Stockholm in March 2015
REZIDOR HOTEL GROUP AB (PUBL)
The Board of Directors