

**Summary of the Board of Directors' Proposal for a  
Share-Based Long-Term Incentive Program 2014**

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## The Board of Directors' proposal for offering allotment of Rezidor shares subject to certain terms and conditions (LTIP 2014)

- Participation to include no more than 35 executives
- Program consists of 2 components:
  - ✓ Matching Shares (*for Executive Committee members only*)
  - ✓ Performance Shares
- Requirement for participation in the program for Executive Committee members (not for other participants): *Personal investment in shares (Savings Shares)!*
- Maximum number of Savings Shares dependent on executives' role
- Matching Shares: 1 matching share for each Savings Share
- Performance shares: maximum number of Performance Shares dependent on executives role and achievement of 3-year cumulative EPS target
- Matching- and Performance Shares to be allotted after 3 years subject to continued employment

## Maximum initial value of allotment of shares under LTIP 2014<sup>1</sup>

			<i>Performance Shares</i>	<i>Savings / Matching Shares</i>
<b>Role</b>		<i>Groups</i>	<i>% of fixed annual gross base remuneration</i>	
Executive Committee	President and CEO	Group 1	150%	5 – 10%
	Other Executive Committee members	Group 2	35% – 75%	2.5% – 5%
Other participants		Group 3	30% – 38%	N/A

(1) The proposal implies a maximum total grant of 964,736 shares (including shares to cover costs for social security and other costs), equivalent to approximately 0.66% of total number of outstanding shares

## Estimated maximum cost of LTIP 2014 c. €4.9m<sup>1</sup> (c.f. €5.0m in 2013)

### Overview of the potential costs of LTIP 2014

Scenario	Assumptions	Estimated cost to Rezidor			
	Performance vesting level (of maximum)	Matching Shares <sup>2</sup>	Performance Shares	Social security cost <sup>3</sup>	Total cost to Rezidor
1	25%	€203k	€1,006k	€197k	€1,406k
2	50%	€203k	€2,011k	€365k	€2,579k
3 (maximum)	100%	€203k	€4,022k	€704k	<b>€4,930k</b>

- (1) Based on a share price of SEK 45.10 (€ 5.11) and a maximum of 964,736 shares  
(2) Assumes no leavers during the performance period and maximum number of Savings Shares  
(3) Assumes no share price change until the expiration of the performance period, for simplicity