

CORPORATE GOVERNANCE REPORT

Responsibility for the management and control of Rezidor Hotel Group AB is shared among the Board of Directors and the Chief Executive Officer. This is done in accordance with the Swedish Companies Act, along with other legislation, rules and regulations governing listed companies, including the Swedish Code of Corporate Governance, the Articles of Association and the Board's own internal control instruments.

The Company's shares have been traded on the Nordic List of Stockholmsbörsen (the "Exchange") since November 28th 2006 (the "Listing"). The Swedish Code of Corporate Governance is included in the listing requirements of the Exchange. The Code also prescribes that the Annual Report should be supplemented by this Corporate Governance Report, to describe, in a general way, how the Company applied the Code during the fiscal year 2007.

We hereby submit the Corporate Governance Report for year 2007. This Corporate Governance Report has not been reviewed by our auditors.

Annual General Meeting

Shareholders can exercise their right to decide on the Company's business at General Meetings of Shareholders, which is Rezidor Hotel Group AB's highest decision-making body. These meetings will be held in Stockholm. Rezidor's second Annual General Meeting ("AGM") as a listed company will be held in Stockholm on April 23rd, 2008. The notice of the AGM is required to be published not earlier than six weeks, but not later than four weeks, before the date of the AGM.

Rezidor's 2007 Annual General Meeting

Rezidor Hotel Group AB's AGM in 2007 was held at the Radisson SAS Royal Viking Hotel in Stockholm on May 4th, 2007. The AGM was attended by 121 shareholders, including proxies, representing 92,449,612 shares and votes, comprising 61.66% of the total number of shares and votes of the Company. The seven members of the Board of Directors who were proposed for re-election attended the AGM, as well as the Chief Executive Officer and key executives and the Company's auditor. The two new candidates proposed for election were also attending the AGM.

The following important decisions were made at the 2007 AGM:

- election of Mr. Dick Lundquist, attorney at law, as chairman of the AGM
- the annual accounts and the auditor's report, the consolidated accounts and the consolidated auditor's report for the financial year 2006 were deemed to have been duly presented
- approval of the dividend to the shareholders, EUR 0.06 per share
- Board members and the CEO were discharged from the liability for the 2006 fiscal year
- Mr. Göte Dahlin, Mr. Urban Jansson, Mrs. Marilyn Carlson Nelson, Dr. Harald Einsmann, Mrs. Ulla Litzén, Mrs. Trudy Rautio, Mr. Barry Wilson, Mr. Jay Witzel and Mr. Benny Zakrisson were elected as ordinary members of the Board until the end of the next AGM
- it was resolved to appoint Mr. Urban Jansson as the Chairman of the Board
- it was resolved that the remuneration of the Chairman of the Board shall amount to EUR 65,000 and of each of the other directors appointed by the AGM to, EUR 36,000 and of each Chairman of the Audit Committee and Compensation Committee to EUR 5,000
- it was resolved to approve the Board's proposal regarding the principles of remuneration and other terms of employment for key management
- it was resolved to approve the proposed changes of the Articles of Association and increase of share capital through a bonus issue
- it was resolved to approve the Board's proposal on a long term share related incentive programme for key management
- authorisation of the Board to decide on the purchase and transfer of the Company's own shares to give the Board wider freedom of action in the work with the Company's capital structure and to secure costs associated with the long term incentive plan
- it was resolved to introduce a nomination procedure for the Nominating Committee in accordance with the presented proposal

The AGM was held in Swedish. Due to Rezidor's international ownership and in order to allow non-Swedish speaking shareholders to participate, the meeting was simultaneously interpreted to English and all of the information materials for the meeting were also available in English.

The minutes from the 2007 AGM have been made available on Rezidor's corporate website in both Swedish and English language versions. All requisite documents prior to the 2008 AGM, such as the report on the work of the Nominating Committee and all proposals in their full versions, will be published in Swedish and in English on the website in advance of the AGM.

Decisions at the AGM usually require a simple majority vote. However, for certain items of business taken up at the AGM, the Swedish Companies Act requires that a proposal be approved by a higher percentage of the shares and votes represented at the AGM.

Nominating Committee

The mission

The responsibility of the Nominating Committee is to nominate the persons to be elected by the AGM as members of our Board of Directors. The Nominating Committee makes recommendations for the election of members to the Board of Directors and recommendations regarding the allocation of remuneration to the Chairman and other members of our Board of Directors and the allocation of remuneration in respect of committee work, if any. Such recommendations are presented at the AGM. The Nominating Committee also makes recommendations regarding the appointment of auditors, when applicable, and remuneration of the auditors. The Nominating Committee shall also make a recommendation regarding the procedure to be used in appointing members of the Nominating Committee for the next AGM.

Members

In accordance with the resolution of the AGM on May 4th, 2007 the nomination procedure for the Nominating Committee for the AGM 2008 was established. Accordingly, the Chairman of the Board of Directors contacted a representative of the largest shareholder, the Carlson Companies, plus two of the other largest shareholders. Each was offered the opportunity to appoint one representative of the Nominating Committee. The names of the committee members and the shareholders they represented were published in a press release and on the Rezidor website on October 23rd, 2007. The Nominating Committee for the AGM on April 23rd, 2008 consists of Mr. William Van Brunt representing the Carlson Companies (41.7%), Mr. Brian Meyer representing Fir Tree Funds (6.6% according to a statement dated October 16th, 2007) and Mr. Peter Rudman representing Nordea Investment Funds (5.6%). The members of the Nominating Committee have decided to appoint Mr. William Van Brunt to chair the committee. The press release also communicated the possibility for the shareholders to submit proposals to the Nominating Committee. As of December 31st, 2007 no proposals have been made. The Nominating Committee had one meeting in 2007, attended by all members, and during which minutes were taken. The Chairman of the Board also attended this meeting and updated the committee on the work of the Board of Directors. The Nominating Committee's proposals and a report on how the Committee has conducted its work will be announced in connection with the notice to the AGM on April 23rd, 2008.

Representatives for the Nominating Committee for the 2008 AGM	Represents	Position
William Van Brunt	Carlson Companies	■
Brian Meyer	Fir Tree Funds	■
Peter Rudman	Nordea Investment Funds	■

■ Chairman ■ Member

Rezidor's 10 largest shareholders on December 31st, 2007¹⁾

	Shares	Shares %
Group Carlson	62,617,914	41.74
Group SSB	9,214,159	6.14
Group Nordea	8,397,733	5.60
Bear, Sterns & co (parts relate to Fir Tree Funds)	8,143,500	5.43
State of New Jersey pens. fund	6,500,000	4.33
Group Robur	6,361,541	4.24
Group JP Morgan	3,222,497	2.15
Group Morgan Stanley	2,441,954	1.63
Investors Bank & Trust Co/Treaty	2,411,133	1.61
Ram One	2,350,000	1.57

1. Source: VPC (Nordic Central Securities Depository)

The Board of Directors

Under the Swedish Companies Act, the Board of Directors is ultimately responsible for the organisation and the management of a company. The Articles of Association provide that the Board of Directors shall be elected by the shareholders and consist of not less than three - and not more than fifteen - members. Further, under the Swedish Companies Act, the Chief Executive Officer and at least half of the members of the Board of Directors of a company must be residents of a country within the European Economic Area, unless the Swedish Companies Registration Office grants an exemption.

Mission and Responsibilities

Each year, the Board of Directors establishes a formal work plan clarifying the Board's responsibilities. The work plan regulates the internal division of duties between the Board and its committees, including the role of the Chairman, the Board's decision-making procedures, its meeting schedule, procedures governing the convening, agenda and minutes of meetings, as well as Board work on accounting, auditing matters and financial reporting. In addition, the Board of Directors has established separate formal work plans for the Audit Committee, the Compensation Committee and the Finance Committee.

The work plan also governs how the Board will receive information and documentation as the basis for its work to facilitate the making of well-founded decisions. The Board has also issued instructions for the Chief Executive Officer, as well for the financial reporting to the Board. Moreover it has adopted other special steering documents, including a Finance Policy, a Communication and Investor Relations Policy and a Code of Business Ethics.

The responsibilities of the Board include monitoring the work of the Chief Executive Officer through ongoing reviews throughout the year. The Board is further responsible for ensuring that Rezidor's organisation, management and guidelines for the administration of the Company's interests are structured appropriately and that there is satisfactory internal control. The responsibilities of the Board also include setting strategies and targets, establishing special control instruments, deciding on larger acquisitions through business combinations and divestments of operations, deciding on other large investments, deciding on deposits and loans in accordance with the Finance Policy and issuing financial reports, as well as evaluating the management of operations and planning managerial succession.

Apart from the activities of the Audit, Compensation and Finance Committees, there has been no allocation of work among the directors.

The Board shall be assisted by a Secretary of the Board, who is not a member of the Board. The General Counsel of Rezidor, Ms. Marianne Ruhnård, was the Secretary at all Board meetings during 2007.

Activities of the Board 2007

According to current rules of procedures adopted by the Board, the Board must convene at least four times a year, in addition to the statutory Board meeting, and otherwise as necessary. In 2007 the Board held 11 meetings. Four of the Board meetings are coordinated with the dates of the presentation of the external financial reports. Additionally, in 2007, the Board attended a two-day meeting on strategic issues. Audit related matters have been addressed as a special item during a Board meeting at least once per year and in conjunction therewith; the Board meet with the company auditor without the Chief Executive Officer or any other member of management being present. During 2007 the Board has been working in accordance with the described working procedures. The main activities were as follows:

- Keeping informed about the financial position of the Company and the group
- Adopting a business plan
- Evaluating internal control
- Discussing and approving of certain hotel projects meeting defined criteria
- Development strategy and monitoring of growth target fulfilment
- Brand strategies
- Investor relations matters, communication policy & press communications
- Design and implementation of a share based long term incentive plan for key management
- Adopting a sales and marketing plan
- Deciding upon the purchase of the Company's own shares

The Board liaises with the auditors regarding plans for the audit procedure and reviews what measures to take based on the auditors' reporting. Major business areas are given an opportunity to give an in-depth presentation of their operations at a Board meeting at least once a year.

The Chairman of the Board

At the Annual General Meeting of shareholders held on May 4th, 2007 Mr. Urban Jansson was elected Chairman of the Board of Directors. At the constituent meeting held by the Board of Directors immediately after the AGM, the Board resolved to elect Mrs. Marilyn Carlson Nelson as Deputy Chairman.

It is the responsibility of the Chairman to monitor operations, in consultation with the Chief Executive Officer, and ensure that other Board members receive the information necessary to maintain a high level of quality in discussions and decisions. The Chairman is responsible for evaluating the Board's work, including the work in the Board committees, with regard to working procedures, competences and the working climate. This evaluation is then shared with the Nominating Committee. The Board's Compensation Committee participates in evaluation and development questions regarding the Group's Senior Executives.

Members of the Board of Directors

Pursuant to our articles of association, our Board of Directors shall be elected at the AGM and serve for a term expiring at the next AGM. The members of the Board of Directors may be removed from office at any time by a General Meeting of the shareholders, and vacancies on the Board may only be filled by a resolution of shareholders.

At present, the Board of Directors is composed of nine directors, including the Chairman and Vice Chairman. As part of the Board's efforts to increase the efficiency and depth of the Board's work on certain issues the Board has established three committees: the Audit Committee, the Compensation Committee and the Finance Committee. Each committees work and areas of responsibility is described in further detail under the respective heading in this report. The following table presents the names of the current members, their current position, their participation in the Board's committees and their attendance at Board meetings during 2007.

Attendance of the Board of Directors	Board of Directors	Audit Committee	Compensation Committee	Finance Committee	Attendance at Board meetings
Urban Jansson	■	■	■		100%
Marilyn Carlson Nelson	■			■	91%
Göte Dahlin	■	■		■	100%
Harald Einsmann	■		■		100%
Ulla Litzén	■	■	■		100%
Trudy Rautio	■	■		■	100%
Barry W. Wilson	■	■		■	100%
Jay S. Witzel	■		■	■	91%
Benny Zakrisson	■		■	■	91%

■ Chairman ■ Vice Chairman ■ Member

Independence of Board members

None of the members of the Board of Directors are employed by Rezidor or any other company within the Group. Based on the current version of the Swedish Code of Corporate Governance, the following assessment of the independency of the members of the Board is made. Of the members of our Board of Directors, Mr. Urban Jansson, Mr. Göte Dahlin, Dr. Harald Einsmann, Mrs. Ulla Litzén, Mr Barry W. Wilson and Mr. Benny Zakrisson are independent Directors in relation to the Company and the Management. Due to extensive business relations between Carlson Companies and Rezidor, Mrs. Marilyn Carlson Nelson, Mr. Jay Witzel and Mrs. Trudy Rautio are not independent Directors in relation to the Company and the Management. Furthermore Mrs. Marilyn Carlson Nelson, Mr. Jay Witzel, Mrs. Trudy Rautio and Dr. Harald Einsmann are to be considered dependent of our main shareholders, as they are related to our owner Carlson Companies which holds 41.7% of the shares of Rezidor.

The following table presents inter alia the names of the current members, their current position, the year of their election, their shareholdings and whether or not they can be considered independent.

Board member	Elected	Position	Born	Nationality	Shareholding ¹⁾	Independent of the company and its management	Independent of the company's major owners
Urban Jansson	2006	■	1945	Swedish	20,000	Yes	Yes
Marilyn Carlson Nelson	2006	■	1939	American	-	No	No
Göte Dahlin	2007	■	1941	Swedish	10,000	Yes	Yes
Harald Einsmann	2006	■	1934	German	18,780	Yes	No
Ulla Litzén	2006	■	1956	Swedish	10,000	Yes	Yes
Trudy Rautio	2005	■	1952	American	-	No	No
Barry W. Wilson	2007	■	1944	British	20,000	Yes	Yes
Jay S. Witzel	2005	■	1947	American	-	No	No
Benny Zakrisson	2005	■	1959	Swedish	10,000	Yes	Yes

1. Per February, 2008

■ Chairman ■ Vice Chairman ■ Member

Labour unions representatives

Currently there are no employee representatives nominated as Board members.

Audit Committee

The Board of Directors elects the Chairman and members of the Audit Committee. The members possess competence and experience in the areas of accounting, auditing and/or risk management. No decision-making power has been bestowed on the Audit Committee. The instructions to the Audit Committee have been approved by the Board of Directors.

The Audit Committee will convene at least once a year and otherwise when the Chairman of the Board of Directors considers it suitable. Up until May 4th 2007, the Audit Committee consisted of Mrs. Monica Caneman as Chairman, Mrs. Trudy Rautio, Mr. Urban Jansson and Mr. Benny Zakrisson. On May 4th, 2007 the Board decided at its statutory Board meeting that the Audit Committee should comprise of Mrs. Trudy Rautio, Mr. Barry Wilson, Mr. Göte Dahlin, Mr. Urban Jansson and Mrs. Ulla Litzén. Mrs. Ulla Litzén was elected as Chairman. During 2007, the Audit Committee held five meetings during which minutes were taken. All members of the Audit Committee had 100% attendance at Audit Committee meetings during 2007. The members also continuously discussed issues as needed. The auditors, Deloitte AB, participated in four out of the five meetings that were held during 2007.

The Audit Committee is responsible for ensuring the quality of the financial and operational reporting. The Audit Committee also evaluates the procedures for internal control and management of financial and operational risks. The committee meets with the auditors at regular intervals in order to inform itself of the objectives and scope for the external audit, it evaluates the external auditor's work and performance, including the extent of the auditors possible non-audit related work for Rezidor, and, when required, it assists the Nomination Committee in preparing proposals for election of auditors and the remuneration of the auditing work. Other than the Chairman, who is paid TEUR 5, there is no remuneration for the members of the Audit Committee.

Compensation Committee

The Compensation Committee will consist of at least three members of the Board of Directors who may not be employees. Up until May 4th 2007, the Compensation Committee comprised of Mr. Gunnar Reitan as Chairman, Mr. Urban Jansson and Mr. Jay Witzel and Mrs. Ulla Litzén. On May 4th, 2007 the Board decided at its statutory Board meeting that the Compensation Committee should comprise of Dr. Harald Einsmann, Mr. Urban Jansson, Mrs. Ulla Litzén, Mr. Jay Witzel and Mr. Benny Zakrisson. Mr. Benny Zakrisson was elected as Chairman. The Code requires that the members of the Compensation Committee should be independent in relation to the Company and the Management. Of the current members, Mr. Jay Witzel is not independent but the Board of Directors has considered his extensive knowledge of market practice in the hotel industry to be a valuable contribution to the Compensation Committee's work. No decision-making power has been bestowed on the Compensation Committee. The Compensation Committee will convene at least twice a year - or as often as the Board of Directors, the Chairman or any member - so requires. During 2007, the Compensation Committee held three meetings during which minutes were taken. Except for Dr. Einsmann who was absent at one meeting all members of the Compensation Committee had 100% attendance at Compensation Committee meetings during 2007. In addition, members of the Compensation Committee have had informal contacts about compensation issues throughout the course of the year.

The Compensation Committee is responsible for preparing material concerning compensation and other employment benefits for the Management and key officers of the group, for final resolution by our Board of Directors. The Compensation Committee also participates in the preparation of proposals for the adoption of any share- or option-based incentive programmes within the Group as well as the preparation of the evaluation of the CEO and his direct reports. The instructions to the Compensation Committee have been approved by the Board of Directors. Other than the Chairman, who is paid TEUR 5, there is no remuneration for the members of the Compensation Committee.

Finance Committee

At the statutory Board meeting on May 4th, 2007 the Board decided to establish an additional committee, the Finance Committee which will consist of at least three members of the Board of Directors. On May 4th, 2007 the Board decided that the Finance Committee should comprise of Mrs. Marilyn Carlson Nelson, Mrs. Trudy Rautio, Mr. Barry Wilson, Mr. Göte Dahlin, Mr. Benny Zakrisson and Mr. Jay Witzel. Mr. Jay Witzel was elected as Chairman. The Finance Committee analyses financial risks and also works with operational risks, insurance, compliance and security issues. No decision making power has been bestowed on the Finance Committee. The instructions to the Finance Committee have been approved by the Board of Directors. There is no remuneration for the chairman nor for the members of the Finance Committee. During 2007, the Finance Committee held one meeting during which minutes were taken. All members of the Finance Committee attended that meeting. In addition, members of the Finance Committee have had informal contacts about risk and compliance issues throughout the course of the year.

Remuneration of the Board of Directors

The amount of remuneration granted to the Board of Directors, including the Chairman, is determined by a resolution at the AGM.

Compensation for the Board's work of 2007 was taken by a resolution at the AGM of shareholders on May 4th, 2007. The annual fee to the Chairman should be TEUR 65 and the annual fee to other Board members should be TEUR 36. In addition, the respective Chairman of the Audit Committee and the Compensation Committee is paid an additional TEUR 5. The members of the Board are not entitled to any benefits upon ceasing to serve as a member of the Board.

Remuneration of the Board of Directors, EUR	Board of Directors	Audit Committee	Compensation Committee	Finance Committee	Board of Directors fee	Audit Committee fee	Compensation Committee fee	Total fee
Urban Jansson	■	■	■		65,000			65,000
Marilyn Carlson Nelson	■			■	36,000			36,000
Göte Dahlin	■	■		■	36,000			36,000
Harald Einsmann	■		■		36,000			36,000
Ulla Litzén	■	■	■		36,000	5,000		41,000
Trudy Rautio	■	■		■	36,000			36,000
Barry W. Wilson	■	■		■	36,000			36,000
Jay S. Witzel	■			■	36,000			36,000
Benny Zakrisson	■		■	■	36,000		5,000	41,000

■ Chairman ■ Vice Chairman ■ Member

The Executive Committee

In consultation with the Chairman of the Board, the Chief Executive Officer prepares necessary information and basic documentation on the basis of which, the Board can make well-founded decisions. He presents matters and motivates proposed decisions, as well as reporting to the Board on the development of the Company. The Chief Executive Officer is responsible for leading the work conducted by the Executive Committee and renders decisions in consultation with the other members of the Executive Committee, which consists of a total of eleven persons (including the Chief Executive Officer). See *Management Presentation*.

The following table sets out the names of the members of our Executive Committee, the year of employment, appointment to the Executive Committee, as applicable, their current positions and their shareholdings as of February 2008.

Member	Year of Appointment	Year of Employment	Position	Born	Nationality	Share-holding ¹⁾
Kurt Ritter	1989	1976	President & Chief Executive Officer	1947	Swiss	104,100
Knut Kleiven	1994	1986	Deputy President & Chief Financial Officer	1954	Norwegian	70,000
Gordon McKinnon	2002	2002	Executive Vice President, Brands	1960	Scottish	-
Puneet Chhatwal	2007	2002	Senior Vice President & Chief Development Officer	1964	German	4,254
Thorsten Kirschke	2006	1995	Senior Vice President & Chief Operating Officer Radisson & Regent	1964	German	12,459
Jacques Dubois	2006	1996	Senior Vice President & Chief Operating Officer Park Inn & Country Inn	1956	Canadian American	-
Olivier Jacquin	2006	2003	Senior Vice President, Sales, Marketing & Distribution	1966	French	-
Marianne Ruhngård	2006	2000	Senior Vice President & General Counsel, Secretary of the Board	1960	Swedish	-
Beathe-Jeanette Lunde	2006	1986	Senior Vice President People Development & Radisson SAS Franchise Operations	1962	Norwegian	10,000
Per Blixt	2006	2006	Senior Vice President Investor Relations & Corporate Communications	1959	Swedish	12,500
Eugène P. E. Staal	2007	2006	Vice President Technical Development	1964	Dutch	4,000

1. Per February, 2008

Remuneration of the Executive Committee

The remuneration granted to the Chief Executive Officer and the other members of the Executive Committee consists of a fixed salary, a variable bonus based on the outcome of financial performance objectives, a pension and other benefits. Details on the compensation to the CEO and the other members of the Executive Committee can be found in *Note 10*, but a summary is presented in the table below.

Remuneration TEUR	Salaries and bonuses	Pension	Housing and company car	Total ¹⁾
Kurt Ritter (CEO)	1,190	307	139	1,636
The Executive Committee (inclu. CEO) (11 persons)	5,721	613	606	6,940

1. The remuneration numbers exclude social security costs

Share-related Incentive Programme

On May 4th, 2007, the Annual General Meeting approved the proposal for a long-term equity settled performance-based incentive programme ("the performance based share programme") to be offered to approximately 25 executives within the Rezidor Hotel Group AB. The purpose of the programme is to offer a remuneration package to ensure that remuneration within the Group helps align executives with shareholder interests; that the proportion of remuneration linked to company performance increases and that it encourages executive share ownership. In order to implement the performance based share programme in a cost efficient and flexible manner, the Board of Directors was authorised by the AGM 2007 to decide on acquisitions or sale of its own shares on the Stock Exchange.

The programme was launched on June 15th, 2007 with a vesting period of three years with allotment of Rezidor shares and cash payments by May 31, 2010 and contains two different award elements; a bonus based award and a savings based award. As of December 31st, 2007, 26 executives were enrolled in the programme.

The "bonus based award" entitles the participants to a certain number of shares, equal in value to the participant's 2006 annual pre-tax bonus payout. Rezidor shares are awarded at no cost for the participant and the maximum number of shares that may be awarded under the bonus-based award - after the full vesting period - is 129,600.

The "savings based award" is a matching share award equal to that number of Rezidor shares a participant purchases and holds for a 3-year savings period, up to a value of 25% of the participant's 2007 salary. Shares are awarded at no cost for the participant and the maximum number of savings based shares that can be awarded, after the full vesting period, is 119,935 shares.

All 11 members of the Executive Committee participated in the programme entitling them to a maximum total of 151,563 shares. Included therein, the CEO of Rezidor is entitled to a maximum of 43,336 shares. In addition, 15 other members of the management participated in the programme, entitling them to 97,972 shares. The award is dependent on certain performance criteria, including growth in earnings per share and total shareholder return relative to a defined peer group.

The cost for the performance based share programme, calculated in accordance with IFRS 2, from the grant date until the end of December 2007 amounted to TEUR 235. Above that, costs of TEUR 51 for social security charges related to the programme have been recognised.

Financial Reporting

The Board monitors the quality of financial reporting through instructions to the Chief Executive Officer and reporting instructions regarding the reporting via the Audit Committee. The Audit Committee reviews all financial statements published by the Company. The Board as a whole reviews and approves of the Company's quarterly reports and year-end report prepared by the management. The Board is also responsible for the Company's financial statements being prepared in compliance with legislation, applicable accounting standards and other requirements for listed companies.

The Chief Executive Officer and the Chief Financial Officer, must review and assure the quality of all financial reporting including financial statements, interim reports and the annual financial statements, press releases with financial content and presentation material issued to the media, owners and financial institutions.

With respect to the communication with the auditors, the auditors are present at the Board Meeting where the Company's year-end Financial Report is approved. In addition, the Board has met with the Company's auditors to review their audit of the Company for the financial year 2007. The Board has also met with the Company's auditors without the Chief Executive Officer or other members of the Company's Executive Committee or management being present.

Auditors

Auditors in Swedish limited companies are elected by the AGM and tasked with scrutinising the Company's financial reporting and management of the Company by the Board and the Chief Executive Officer. Pursuant to the Swedish Companies Act, the term for auditors in Swedish limited companies is four years. Since the appointment at the AGM 2005, and up until the AGM 2009, the Group's statutory auditor is Deloitte AB with Mr. Peter Gustafsson as the responsible partner. Deloitte is part of Deloitte Touche Tomatsu, with global operations in auditing and other consulting services. Mr. Gustafsson (born 1956) is a member of FAR-SRS, the Swedish professional institute for authorised public accountants and approved public accountants. Mr. Peter Gustafsson has been an authorised public accountant since 1986. In addition to the Rezidor Hotel Group AB, Peter Gustafsson has audit engagements with SAAB Automobile, Teleca Technology, Ekman, Nexus, SAS AB, Akademiska Hus, Port of Gothenburg and Förvaltnings AB Framtiden. Peter Gustafsson was previously an auditor at Elanders, Connex Transport and Song Networks, Ports of Stockholm, among others.

The auditors follow an audit plan that incorporates the comments and concerns of the Board, and report their observations to the Board during the course of the audit and in conjunction with the establishment of the 2007 Annual Report in 2008. The auditor attended four out of five meetings of the Audit Committee during the year. On one occasion the Board met with the Company's auditor without the Chief Executive Officer or anyone else from the Company management present. Deloitte submits an audit report regarding Rezidor Hotel Group AB, the Group and an overwhelming majority of subsidiaries. During the year 2007, the auditors have had consulting assignments outside the audit, mainly concerning issues related to the interpretation of IFRS and ad hoc tax advice.

Compensation

The auditors receive a fee based on a current account for their work in accordance with a decision of the Annual General Meeting. For information about the auditors' fee in 2007, see *Note 39*.