

## **Report on the work of the Nominating Committee of Rezidor Hotel Group AB (the “Company”)**

Following the nomination procedure established by the Annual General Meeting on April 24<sup>th</sup>, 2014 and based on the Company’s list of registered shareholders per August 31<sup>st</sup>, 2013 provided by Euroclear Sweden AB, the three largest shareholders were contacted. The names of two of the members of the Nominating Committee were published in a press release issued by the Company on October 24<sup>th</sup>, 2013 and the name of the third member of the Nominating Committee was announced on 1 November 2013. The Nominating Committee consists of Mr. William van Brunt (Carlson group) as the Chairman, Mr. Björn Franzon (Swedbank Robur fonder) and Mr. Arne Lööw (Fourth Swedish National Pension Fund). 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 April 24<sup>th</sup>, 2013. In addition the members of the Nominating Committee have had informal telephone contacts in relation to its proposals for the Annual General Meeting 2014 and have interviewed the candidates proposed for election. The Nominating Committee began its work in November 2013.

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 Nominating Committee has also reviewed the results of the assessment that was carried out on the internal work of the Board of Directors in 2013.

### **The Nominating Committee submits the following proposals to Rezidor Hotel Group AB’s Annual General Meeting 2014.**

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

The Nominating Committee’s proposal regarding the number of Board members is eight without deputy members.

The Nominating Committee considers that Rezidor Hotel group AB has a well functioning Board, composed of men and women that have a wide range of relevant business experiences in order to, in the Company’s and the shareholders’ interests, meet both current and future challenges. The Nominating Committee proposes to the AGM 2014 that the Board shall be increased from six to eight members to enhance this experience/talent base and to ensure effective succession planning.

#### ***Board members***

The Nominating Committee proposes that the following Board members be re-elected to the Board of Directors: Mr. Douglas M. Anderson, Mr. Staffan Bohman, Mr. Göte Dahlin, Mr. Anders Moberg, Ms. Wendy Nelson and Mrs. Trudy Rautio.

The Nominating Committee proposes that Mrs. Charlotte Strömberg and Mr. David Berg are elected as a new members to the Board of Directors.

Charlotte Strömberg (born 1959) is a board member of amongst others Boomerang AB, Fourth Swedish National Pension Fund, Intrum Justitia AB, Karolinska Institute and Skanska AB and chairs the board of Castellum AB. From February 2006 to January 2013 she worked for Jones Lang LaSalle in Stockholm as CEO Nordics. Previously she worked for Carnegie Investment Bank AB in different positions during the years 1997 to 2005, latest as Head of Investment Banking Sweden. During the years 1986 to 1997 she worked for Alfred Berg ABN AMRO in Stockholm in different position, latest as Senior Project and Account Manager.

David Berg (born 1961) is the Chief Operating Officer for Carlson Inc. since joining in January 2014. He joined Carlson from the position as CEO and Chief Customer Officer for Z Wireless in Minneapolis, from June 2013 to December 2013. During the years 2002 to 2009 he worked as Executive Vice President and Chief Operating Officer at Best Buy in Minneapolis. He thereafter relocated to General Nutrition Centres in Pittsburgh where he worked as Executive Vice President and Chief Operating Officer during the years 2009 to 2011. From 2011 to June 2013 he was Executive Vice President and President for Bloomin' Brands International in Tampa, Florida.

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

The Nominating Committee makes the following assessment of independency of the proposed members. Trudy Rautio is the President & CEO and a Director of Carlson, Inc. ("Carlson"). David Berg is the Chief Operating Officer of Carlson Inc. Wendy Nelson is a member of the Board of Carlson Holdings, Inc., the holding company owning all of the shares in Carlson. Douglas M. Anderson is the President & CEO of Carlson Wagonlit Travel, a global business travel management company of which Carlson is the majority shareholder. All four are dependent in relation to the largest shareholder, Carlson. None of the four are dependent in relation to the company Rezidor, or Rezidor's executive management.

The Nominating Committee considers that Staffan Bohman, Göte Dahlin, Anders Moberg and Charlotte Strömberg are independent both in relation to the Company and in relation to larger shareholders.

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

The Nominating Committee proposes that Trudy Rautio is elected as Chairman of the Board of Directors.

#### ***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 a total of € 431,500 of which € 46,500 relates to committee work, to be apportioned amongst the Board members elected at the Annual General Meeting as follows:

- Chairman of the Board: € 80,000,
- Vice Chairman of the Board: € 65,000,
- Other Board members elected by the Annual General Meeting: € 40,000,
- Chairman of the Board's Audit Committee: € 9,000,
- Other members of the Audit Committee: € 6,500,
- Chairman of the Board's Compensation Committee: € 6,000,
- Other members of the Board's Compensation Committee: € 4,000.

Provided that it is cost neutral for Rezidor Hotel Group AB and after a written agreement between Rezidor Hotel Group AB and a (Swedish) limited liability company which is wholly-owned by a Board member, Rezidor Hotel Group AB may approve that the board fee is invoiced by the company wholly-owned by the Board member. In such case the invoiced fee shall be increased with an amount corresponding to social security payments pursuant to law and value added tax pursuant to law.

#### ***Remuneration Auditors***

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

**Auditors**

At the Annual General Meeting on 24 April 2013 the registered public accounting firm Deloitte AB was elected as the Company's auditor for a three year period until the end of the 2016 Annual General Meeting. For that reason there is no need for the Nominating Committee to make a proposal this year.

***Proposal for appointment of the Nominating Committee for the Annual General Meeting 2015***

The Nominating Committee proposes to the Annual General Meeting that the same nomination procedure used in the nomination work this year should be used also for the coming year.

The three largest known shareholders will be contacted by the Chairman of the Board of Directors based on the Company's list of registered shareholders provided by Euroclear Sweden AB as of August 31<sup>st</sup>, 2014.

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

March 2014

William van Brunt, Chairman