

Board of directors bylaws

The members of the Board of Directors of Accor (hereinafter the Company) abide by the following rules of procedure, which constitute the Bylaws of the Board of Directors.

These Bylaws are based on market recommendations aimed at ensuring compliance with the fundamental principles of corporate governance.

Intended for internal use only, these Bylaws are designed to supplement the Company Bylaws by specifying the Board of Directors' organizational and operating procedures. They may not be used by shareholders or third parties as a basis for any claims against the directors, the Company or any company of the Accor Group (hereinafter the Group). They apply, where appropriate, to the non-voting directors appointed by the Board of Directors as well as to the Founding Co-Chairmen designated in Article 21 of the Company's Bylaws.

The existence and main provisions of these Bylaws shall be disclosed to the shareholders and to the public.

1. Composition

At least half of the directors on the Board of Directors must be independent within the meaning of the criteria set forth in the AFEP/MEDEF Corporate Governance Code for listed companies as amended in December 2008.

Every year, the Board of Directors shall determine which of the directors are independent according to the above-mentioned criteria. The conclusions of said assessment shall be disclosed to the shareholders and to the public in the Annual Report.

2. Meetings

As a rule, the Board of Directors shall hold at least eight meetings per year, of which one dedicated to reviewing the budget and one dedicated to a strategic review of the Group's operations. The proposed dates of each year's meetings shall be sent to the directors no later than November 30 of the previous year. Notices of Meeting shall be sent by mail, e-mail or fax or given verbally by the Board's Secretary.

The draft minutes of each meeting shall be sent to the directors within 30 days after said meeting. They shall be approved at the following meeting and the final minutes shall be forwarded together with the notice of the next meeting.

Part of at least one meeting a year shall be devoted to assessing the Board's efficiency and effectiveness, in order to identify possible areas for improvement. In addition, the Board of Directors shall conduct a formal self-assessment at least every two years.

For the purpose of calculating the quorum and majority, directors who take part in meetings by any means making it possible to identify them and enabling their actual participation pursuant to current statutes and regulations shall be deemed to be in attendance.

3. Provision of information to the Board of Directors

The directors shall be provided with all the information necessary for them to carry out their duties.

Except when compliance with confidentiality or physical obstacles make it impossible, an information package pertaining to the items on the agenda that require prior study shall be sent to the directors in a timely manner prior to the meetings.

In addition, the directors shall be kept periodically informed between meetings of all significant events and transactions in the life of the Group. To this end, they shall be provided with all the press releases issued by the Company and a periodic summary of financial analysts' research reports on the Group and, when necessary, the actual reports.

At least once a year, the Board shall be informed of the Group's strategy and main policies in the areas of human resources, organization and information systems and shall discuss them periodically.

The directors shall be entitled to require the provision of any document necessary for the proceedings of the Board that has not been submitted to them. Any such requests shall be sent to the Chairman and Chief Executive Officer who may submit it to the Board for a decision.

The directors shall have the right to meet with the Group's main executives, including without the presence of the executive directors. To do so, they must first file a request with the Chairman and Chief Executive Officer.

4. Powers of the Board of Directors

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations.

In addition, the Board of Directors shall:

- a) approve the annual budget, including the annual financing plan, as well as the business plan presented by the Chairman and Chief Executive Officer;
- b) review and approve the Group's overall strategy, at least once a year, in accordance with Article 2 of these Bylaws;
- c) authorize the following decisions of the Chairman and Chief Executive Officer prior to their implementation:
 - any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:
 - any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,
 - any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,
 - rental investments, measured on the basis of the market value of the leased asset,
 - hotel management contracts with a guaranteed minimum fee,
 - any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities.

In the case of financing transactions, however, the Chairman and Chief Executive Officer is authorized to make any and all financial commitments of up to €1 billion without obtaining prior approval from the Board of Directors, provided that such commitment is consistent and undertaken in accordance with the annual Group financing policy as previously approved by the Board of Directors. In this case, the Chairman and Chief Executive Officer shall inform the Board of Directors of the transactions after they have been completed. It is noted as well that the Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed;

- any and all transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the commitment;
 - any and all transactions involving the Company's shares carried out in application of Article L.225-209 of the French Commercial Code, which exceed one million shares per transaction and a cumulative two million shares per year;
- d) authorize the Chairman and Chief Executive Officer to issue guarantees, bonds and endorsements in the Company's name, up to a cumulative amount of €1 billion per year. In accordance with the Company's Bylaws, any such authorizations may be given for a period of one year. The Chairman and Chief Executive Officer is required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;
 - e) discuss and decide on any proposed changes to the Group's management structure and review information about the main organizational changes.

5. Vice-Chairman of the Board of Directors

In accordance with Article 14 of the Company's Bylaws, the Board of Directors shall appoint one of its independent members to act as Vice-Chairman for the duration of his or her term as director.

In addition to the role vested in him or her by the Company Bylaws, the Vice-Chairman shall act as the preferred contact for the other independent directors. Whenever necessary and at least once a year, he or she shall

organize and lead a meeting reserved exclusively for independent directors to allow them to discuss certain issues outside full Board meetings.

The Vice-Chairman shall ensure that requests from shareholders not represented on the Board are answered, and shall make him or herself available to hear their comments and suggestions and, where necessary, answer their questions. The Vice-Chairman shall inform the Board of Directors about such contact with the shareholders.

6. Board Committees

Board discussions and decisions in certain areas shall be prepared by specialist Board Committees made up of directors appointed by the Board for the duration of their term. These Committees shall examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They shall report regularly to the Board on their work, and provide the Board with their observations, opinions, proposals or recommendations.

To assist them in their work, the Board Committees may commission technical reports from management or from external consultants, at the Company's expense. In both cases, the Chairman and Chief Executive Officer shall be notified in advance. The Committees may also arrange meetings with members of company management responsible for the areas under review, without any executive directors being present. In this case also, the Chairman and Chief Executive Officer shall be informed in advance.

There are three standing Board Committees:

- the Audit and Risks Committee;
- the Commitments Committee;
- the Compensation, Appointments and Corporate Governance Committee.

The Board may also set up one or several special committees.

Each Committee shall be chaired by one of its members, appointed by the Board on the recommendation of the Chairman and Chief Executive Officer or, if appropriate, the Vice-Chairman.

The Chairman and Chief Executive Officer may attend any and all Board Committee meetings, except for the part of the Compensation, Appointments and Corporate Governance Committee meetings during which agenda items concerning him personally are discussed.

The Committee Chairman shall appoint a person who need not be a Committee member to act as secretary.

The Chairman of each Committee may ask for the Committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each Committee shall periodically review its rules of procedure and propose to the Board any changes that are considered necessary.

The Board Committees shall not have any decision-making authority.

6.1 The Audit and Risks Committee

The Audit and Risks Committee shall be responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure. To this end, it carries out the following tasks:

- it reviews the interim and annual consolidated financial statements and the financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- it reviews the scope of consolidation and the reasons for excluding any entities;
- it reviews the Group's risk management policy and ensures that adequate systems are in place;
- it assesses the Group's material risk exposure and off-balance sheet commitments, and receives a copy of the Chief Financial Officer's detailed report on these matters;

- it obtains assurance concerning the effectiveness of the Group's system of internal control, by reviewing the methods used to identify risks and the organizational principles and procedures of the internal audit department. It is also informed of the internal audit program and of the results of the internal audits carried out since the last presentation;
- it reviews the Statutory Auditors' audit plan and the results of their audits. It receives a copy of the Statutory Auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the Statutory Auditors' appointment is due to expire, it oversees the Auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of candidate;
- it validates the categories of additional audit-related work that the Statutory Auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;
- at the end of each year, it is informed of the fees paid by Group companies to the Statutory Auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the Statutory Auditors' level of independence.

The Audit and Risks Committee is comprised of three to five members possessing the necessary technical knowledge to fulfill the Committee's duties. At least two-thirds of the members, including the Committee Chairman, must be independent directors.

The Audit and Risks Committee holds at least three meetings per year. One meeting – attended by the head of Internal Audit – is devoted to reviewing the effectiveness of the system of internal control.

The Audit and Risks Committee may make enquiries of the Statutory Auditors without the executive directors and/or the Chief Financial Officer being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting shall be issued by the Committee Chairman and include the meeting agenda. Meetings to review the interim and annual financial statements shall be held at least three days prior to the Board meeting called to approve the financial statements. The members of the Audit and Risks Committee must receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group. The Chairman and Chief Executive Officer, the Chief Financial Officer and the Statutory Auditors shall attend Audit Committee meetings as needed.

6.2 The Commitments Committee

The Commitments Committee is comprised of no more than five members. Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman or the Chairman and Chief Executive Officer.

The Commitments Committee's recommendations are adopted by a simple majority and must then be discussed by the Board of Directors before the commitments can be implemented by the Group. The Commitments Committee is therefore responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any and all transactions that will have a material impact on the Group's business base;
- any mergers, demergers or asset transfers;
- any amendments to the Company's corporate purpose;
- any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:
 - any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,
 - any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,
 - rental investments, measured on the basis of the market value of the leased asset,

- hotel management contracts with a guaranteed minimum fee,
- any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities.

In the case of financing transactions, however, the Chairman and Chief Executive Officer is authorized to make any and all financial commitments of up to €1 billion without obtaining prior approval from the Board of Directors, provided that such commitment is consistent and undertaken in accordance with the annual Group financing policy as previously approved by the Board of Directors. In this case, the Chairman and Chief Executive Officer shall inform the Board of Directors of the transactions after they have been completed. It is noted as well that the Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed.

6.3 The Compensation, Appointments and Corporate Governance Committee

The Compensation, Appointments and Corporate Governance Committee's role is to prepare the Board of Directors' decisions pertaining to the compensation of executive directors and the policy for granting options to purchase new or existing shares of Company stock (as well as the policy for granting stock without consideration), to prepare changes in the composition of the Company's management bodies, and to ensure that the principles of good corporate governance are properly applied.

To this end, it carries out the following tasks:

Appointments:

- it prepares recommendations, in liaison with the Chairman and Chief Executive Officer, regarding the succession of the executive directors and the selection of new directors. In selecting possible directors, the Committee shall take into consideration the desirable balance in the Board's composition, take special care that each candidate has the required capabilities and availability and ensure that the directors have the array of experience and skills necessary to enable the Board of Directors to carry out its duties effectively with the required objectivity and independence vis-à-vis both senior management and a given shareholder or group of shareholders;
- it shall be informed of the succession plan concerning members of the Group's Executive Committee.

Compensation:

- it studies and prepares recommendations regarding both the salary and bonus portions of the executive directors' short-term compensation, the granting of medium and long-term incentives such as performance-based shares and stock options, all the provisions regarding their retirement plans and all other in-kind benefits;
- it defines and implements the rules for setting the bonus portion of the executive directors' compensation while ensuring that said rules are consistent with the annual appraisal of executive directors' performance and with the Group's medium-term strategy;
- it gives the Board an opinion regarding the general policy for granting stock options and the plans proposed by the Chairman and Chief Executive Officer;
- it is kept informed of and gives an opinion on the compensation policy for members of the Group Executive Committee and reviews the consistency of such policy;
- it issues a recommendation to the Board on the overall amount of directors' fees, which is submitted to shareholders for approval. It proposes to the Board the distribution of said directors' fees and the individual amounts of the payments to be made as fees to the directors based on their attendance at Board and Committee meetings pursuant to Article 6 of these Bylaws;
- it reviews the policy and the projects proposed by the Chairman and Chief Executive Officer regarding employee share issues;
- it reviews the insurance coverage taken out by the Company regarding the civil liability of executive directors;
- it approves the information provided to shareholders in the Annual Report regarding (i) executive director compensation (ii) the principles and procedures used to set such compensation; and (iii) the grant of stock options to executive directors and the exercise of such options;

Corporate Governance:

- it is tasked, in liaison with the Chairman and Chief Executive Officer, with issuing recommendations on implementing best corporate governance practices and preparing the assessment of the Board's work;
- it periodically reviews whether the directors meet the independence criteria defined by the Board and makes recommendations if it appears necessary to review the independent status of directors;
- it continuously monitors changes in the Company's ownership structure and determines how the Company's awareness of such changes could be improved, particularly through legal procedures;
- it reviews all cases where there is a conflict of interest concerning one or more shareholders and (i) the interests of the Company; or (ii) the interests of the shareholders as a whole;
- it reviews the measures implemented within the Group concerning business ethics as well as any cases of conflict of interest concerning directors or members of the Executive Committee;
- it reviews and issues recommendations on best corporate governance practices, particularly concerning the membership structure of the Board of Directors;
- it prepares all matters for discussion between the Company and its shareholders relating to (i) changes in their equity interests; (ii) their representation in the Company's corporate governance structures; and (iii) any contractual commitments between them and the Company.

The Compensation, Appointments and Corporate Governance Committee is comprised of three to five members. A majority of these members, including the Committee Chairman, must be independent directors.

The Compensation, Appointments and Corporate Governance Committee shall hold at least three meetings per year. Calls to meetings are issued by the Committee Chairman and include the meeting agenda.

7. Secretary to the Board of Directors

Pursuant to the Company's Bylaws, the Board of Directors shall name a Secretary who need not be a director.

The Board Secretary's role is to call members to meetings of the Board of Directors when requested to do so by the Chairman and Chief Executive Officer and to prepare the draft minutes of the meetings of the Board of Directors, which are then submitted to the Board for approval. He or she is tasked with sending the working documents to the directors according to the procedure set forth in Article 3 of these Bylaws and in general responds to any request from directors for information pertaining to their rights and obligations, the Board's operation or the life of the Company.

His or her duties also include maintaining and updating the statements designed to prevent conflicts of interest, as provided for in Article 3 of the Directors Code of Conduct.

Lastly, the Board Secretary shall attend the meetings of the Board Committees as needed at the request of the Chairman and Chief Executive Officer or the Committee Chairmen. He or she may also be tasked with sending the working documents to the Committee members.

8. Directors' Fees

Upon a motion by the Compensation, Appointments and Corporate Governance Committee, the Board of Directors shall distribute the annual amount of directors' fees allocated by the Annual Meeting based in particular on the actual attendance of each director at Board meetings and meetings of any Committee of which he or she is a member.

Distribution is based on the following principles:

- the duties of Vice-Chairman of the Board of Directors shall be compensated with a fixed portion of a flat amount defined by the Board of Directors;
- the duties of Committee Chairman shall be compensated with a fixed portion of a flat amount defined by the Board of Directors for each Committee;
- the duties of a Committee member shall be compensated with a fixed portion of a flat amount defined by the Board of Directors and with a variable portion based on attendance at meetings, which shall not exceed the amount of the fixed portion;

- half of the available balance of the directors' fees shall be distributed in equal shares to each of the directors. The other half shall be distributed based on the number of Board meetings that the directors attended during the previous fiscal year;
- directors who also hold the position of Chairman of the Board, Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer shall not receive directors' fees;
- directors' fees shall be paid no later than three months following the end of the previous fiscal year.