



Board of Directors' Bylaw



The members of the Board of Directors of Accor (hereinafter “the Company”) wished to abide by the following operating rules which constitute the By-laws of the Board of Directors.

These By-laws are part of the market recommendations aimed at compliance with the fundamental principles of corporate governance.

These By-laws are intended for internal use only. Their objective is to supplement the articles of incorporation by specifying the Board of Directors’ organizational and operating procedures. They may not be relied on by the shareholders or third parties against the directors, the Company or any Group Accor company (hereinafter “the Group”). It applies as needed to the tellers appointed by the Board of Directors as well as to the Founding Co-Chairmen designated in Article 21 of the Company’s articles of incorporation.

The existence and main provisions of these By-laws 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 Corporate Governance Code for Listed Companies dated December 2008.

Every year the Board of Directors shall determine whether each of the directors is independent according to the above-mentioned criteria. The conclusions of said evaluation 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 8 meetings per year, of which one dedicated to reviewing the budget and one dedicated to a strategic review of the Group's business. A projected timetable of the meetings of each year shall be sent to the directors no later than November 30 of the previous year. Notices of meeting shall be sent by mail, email or fax or even verbally. They shall be sent by the Board's Secretary.

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

At least once a year, a plank on the agenda shall be devoted to the evaluating the Board's operation in order to improve the effectiveness of its work. In addition, the Board of Directors shall conduct a formalized evaluation at least every two years .

For the purpose of calculating the quorum and majority, directors who take part in the meeting 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 which they deem necessary for them to carry out their duties.

Whenever compliance with confidentiality makes it possible, an information package pertaining to the planks 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 events or transactions that are significant for the life of the Group. To this end, they shall be provided with all the press releases published by the Company and a periodic summary of financial analysts' research on the Group, together with the research reports themselves when required.

At least once a year the Board is informed of the major thrusts of the Group's human resources, organization and information systems policy and discusses them periodically.

The directors shall be entitled to require the provision of any document required for the proceedings of the Board that has not been submitted to them. The request shall be sent to the 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 corporate officers. To do so, they must first file a request with the Chief Executive Officer.

4. Powers of the Board of Directors

The Board of Directors shall deliberate over all matters that fall within the scope of its statutory and regulatory powers.

In addition, the Board of Directors shall:

- a) Approve the annual budget, including the annual financing policy, and the multiple year budget submitted by the Chief Executive Officer.
- b) Review all of the Group's strategic thrusts at least once a year in accordance with the provisions of Article 2 of these By-laws.

- c) Approve all the following decisions of the Chief Executive Officer prior to their implementation:
- Any immediate or future financial commitment exceeding €100,000,000 per transaction. The following shall be defined as financial commitments:
 - the acquisition or disposal of assets or stakes (even minority stakes) in companies. The amount to be used to determine the amount of the commitment shall be the enterprise value.
 - direct investments in property (creation of a business/construction, renovation or expansion of a hotel/technological development investments);
 - rental investments (the determination of the amount of the commitment shall be the rented asset's market value) ;
 - hotel management contracts with a guaranteed minimum ;
 - loans and capital increases by companies in which the Company or one of its subsidiaries does not hold a majority interest (in capital and voting rights).

It is understood however that, for financing transactions, the Chief Executive Officer is authorized to take financial commitments up to 1 billion euros without prior approval from the Board of Directors provided that such financial commitment is consistent with, and is an implementation of, the annual financing policy of the Group approved by the Board of Directors. In such a case, the Board of Directors is informed by the Chief Executive Officer after the transactions have been undertaken. It is also understood that prior approval from the Board of Directors is not required for loans with a maturity of less than one year.
 - Any transaction regardless of the amount that is likely to affect the Group's strategy or significantly alter its scope (in particular the entry into or pulling out of a business line).
 - Any transaction involving the Company's shares carried out pursuant to Section L 225-209 of the French Commercial Code, provided that it relates to more than 1 million shares (per transaction) up to 2 million shares per year.
- d) Be entitled to authorize the granting by the Chief Executive Officer of endorsements, securities and guarantees in the name of the Company up to €1 billion per year. Pursuant to the Company's articles of incorporation, the term of this authorization shall be one year and the Chief Executive Officer shall report to the Board of Directors on the amount and nature of the aforementioned endorsements, securities and guarantees that he/she has granted under said authorization.
- e) Deliberate on changes to the Group's management structures before they are implemented and shall be kept informed of the main changes to its organization.

5. Vice-Chairman of the Board of Directors

In accordance with the Article 14 of the Company Bylaws the Board of Directors will appoint a Vice Chairman from among its independent members. The Vice Chairman is appointed for his term of office as a Director.

In addition to the responsibilities provided in the Company Bylaws, the Vice Chairman is the key contact for the other independent directors. When he deems appropriate and at least once a year, he convenes and chairs a meeting exclusive to the independent directors during which the latter may address items which they are willing to discuss outside of a plenary Board Meeting.

The Vice-Chairman sees to it that answers are given to requests from shareholders not represented on the Board of Directors, and makes himself available for becoming aware of their comments and suggestions and answering questions, if any. He keeps the Board of Directors informed of such contacts with shareholders.

6. Board of Directors' committees

In certain fields, the work and deliberations of the Board of Directors shall be prepared by specialized committees comprised of directors appointed by the Board for their term of office as directors. Said committees shall deal with those matters that fall within their powers or that are entrusted to them by the Chief Executive Officer, report periodically to the Board on their work and submit their observations, opinions, proposals and recommendations to the Board.

For the purpose of exercising their powers, the Board Committees may request the completion of technical studies from the Company's management or from independent experts (at the Company's expense) after they have first informed the Chief Executive Officer thereof. They may also request to meet, including without the presence of the corporate officers, with the managers that have relevant experience in the fields that fall within the scope of their duties after first having informed the Chairman of the Board of Directors who shall inform the Chief Executive Officer thereof.

There shall be three standing Board Committees:

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

The Board of Directors may also set up one or more ad hoc Committees.

The chairmanship of each Committee shall be held by one of its members appointed by the Board of Directors upon a motion of the Chief Executive Officer or the Vice-Chairman.

The Chief Executive Officer may attend the meetings of Board Committees, except those of the Compensation, Appointments and Corporate Governance Committee where matters on the agenda do not involve him/her personally.

The secretarial duties of each Committee shall be carried out by an individual (who does not have to be a Committee member) appointed by the Committee Chairman.

Each Committee may request, via its Chairman, to be consulted on matters falling within its expertise that have not be submitted to it.

Each Committee shall periodically review its operating rules in order to propose to the Board any changes that it deems necessary.

The Board Committees shall not have their own decision-making power.

6.1. The Audit and Risks Committee

The Audit and Risks Committee's role is to ensure that the accounting methods and principles used to prepare the consolidated financial statements and the parent company statements are relevant and consistent and to check that the internal procedures for gathering and verifying information result in quality and exhaustive financial information and control the Group's exposure to risks. To that end it carries out the following tasks:

- It reviews the half-yearly and yearly consolidated financial statements and annual parent company financial statements before they are reviewed by the Board of Directors. Concurrently, it reviews the draft press releases and the financial opinion on the financial statements which the Company intends to publish.
- It reviews the Group's consolidation scope and any reasons for which companies should not be consolidated.
- It reviews the risk management policy and means.
- It reviews exposure to risks and significant off balance sheet commitments. The Chief Financial Officer shall provide it with a memorandum explaining said matters.
- It ensures that the internal audit system implemented by the Group is effective. To that end, it reviews the methods used to identify risks and the Internal Audit Department's organization and operating principles. It shall also be provided with the work program and a periodic summary of the tasks performed by the Internal Audit Department.
- It reviews Statutory Auditors' audit program and the conclusions of their audits. It shall be provided with a memorandum by the Statutory Auditors on the main issues raised during their audits and the accounting options used.
- To renew the Statutory Auditors' terms of office, it shall conduct the selection process by reading the various bids of the various auditing firms that were asked to submit bids, issues an opinion on the amount of fees requested for conducting the statutory audit tasks likely to be entrusted to auditing firms and their network and submits the result of the selection process to the Board of Directors in the form of a recommendation.
- It approves the categories of related audit work directly related to their statutory audit assignment that may be entrusted to the Statutory Auditors' and their network pursuant to applicable statutes and regulations.
- At the close of each fiscal year, it shall be provided with the amount and the itemized breakdown by category of the assignments, of the fees paid by Group companies to the Statutory Auditors and to their networks during the fiscal year and report to the Board of Directors. The Audit Committee shall provide the Board of Directors with its assessment regarding the independence of the Statutory Auditors.

The Audit and Risks Committee shall be comprised of three to five members possessing the technical expertise necessary to carry out their duty of due care. At least two-thirds of

its members must be directors qualified as independent by the Board of Directors. It shall be chaired by an independent director.

The Audit and Risks Committee shall hold at least three meetings per year. One of the meetings shall be devoted to reviewing the internal control system's efficiency. The Internal Audit Officer shall take part in said meeting.

The Audit and Risks Committee shall have the right to hear the Statutory Auditors without the presence of the corporate officers and/or the Chief Financial Officer, provided it first notifies the Chief Executive Officer thereof.

The notices of meetings shall be mailed by the Committee Chairman along with an agenda. Committee meetings must be scheduled in such a manner so as to allow the holding of meetings devoted to the review of the half-yearly and annual financial statements at least three days prior to the Board of Directors' meeting. Audit and Risks Committee members shall be provided with the documents necessary for the Committee's work in a timely manner. The first time they are appointed, they shall be given specific information on the Company's accounting, financial and operating specificities. The Chief Executive Officer, the Chief Financial Officer and the Statutory Auditors shall attend, if needed, the Audit and Risks Committee meetings.

6.2. Commitments Committee

The Commitments Committee shall be comprised of no more than 5 members. Commitments Committee meetings may be called at any time by its Chairman or by the Chief Executive Officer in writing or verbally.

The Commitment Committee's recommendations are adopted by a simple majority, being understood that these recommendations must later be the subject of resolutions taken by the Board of Directors before the relevant commitments are taken by the Group. The Commitments Committee's role is therefore to prepare the Board of Directors' meetings and to issue recommendations to the Board of Directors on the following matters:

- any transaction that may substantially affect the Group's business scope;
- any merger, spin-off or partial contribution of the Company's assets;
- any change in the Company's corporate purposes ;
- any immediate or future financial commitment exceeding €100,000,000 per transaction.

The following shall be defined as financial commitments:

- the acquisition or disposal of assets or stakes (even minority stakes) in companies. The amount to be used to determine the amount of the commitment shall be the enterprise value.
- direct investments in property (creation of a business/construction, renovation or expansion of a hotel/technological development investments);
- rental investments (the determination of the amount of the commitment shall be the rented asset's market value) ;
- hotel management contracts with a guaranteed minimum ;
- loans and capital increases by companies in which the Company or one of its subsidiaries does not hold a majority interest (in capital and voting rights).

It is understood however that, for financing transactions, the Chief Executive Officer is authorized to take financial commitments up to 1 billion euros without prior approval from the Board of Directors provided that such financial commitment is consistent with,

and is an implementation of, the annual financing policy of the Group approved by the Board of Directors. In such a case, the Board of Directors is informed by the Chief Executive Officer after the transactions have been undertaken. It is also understood that prior approval from the Board of Directors is not required for loans with a maturity of less than one year.

6.3. 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 the corporate officers and the policy for granting stock subscription and/or stock purchase options (as well as the policy for granting bonus shares) to prepare changes in the composition of the Company's management institutions, and finally to see to the application of the market principles of corporate governance.

To this end, it carries out the following tasks:

Appointments:

- It prepares recommendations, in conjunction with the Chief Executive Officer, regarding the succession of the corporate officers and the selection of new directors. As part of the process for selecting directors, the Committee shall take into consideration the desirable balance of the Board's composition, ensure that each director being considered has the required experience and availability and ensure that the directors have a wide array of experiences and skills in order to enable the Board of Director to carry out its duties effectively with the necessary objectivity and independence vis-à-vis both the General Management and a given shareholder or group of shareholders;
- It is informed of the succession plan relating to the members of the Executive Committee of the Group.

Compensation:

- It studies and prepares recommendations regarding the various items of both the fixed portion and variable of the corporate officers' short term compensation, the granting to them of medium term motivation instruments like performance shares and long term motivation instruments like stock subscription and purchase options by any Group company, all the provisions regarding their retirement plans and all other in-kind benefits;
- It defines and implements the rules for setting the variable portion of the corporate officers' compensation while ensuring that said rules are consistent with the annual evaluation of the corporate officers' performance and with the Group's medium-term strategy;
- It gives the Board an opinion regarding the overall policy for granting stock subscription and/or purchase options and the schemes proposed by the Chief Executive Officer;
- It is kept informed of, and gives its opinion on, the compensation policy of the members of the Executive Committee of the Group and reviews the consistency of such policy;

- It issues a recommendation to the Board on the overall amount of directors' fees that is proposed to the Company's Regular Shareholders' Meeting. 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 to the Board and Committee meetings pursuant to Article 6 of these By-laws;
- It reviews the policy and the projects proposed by the Chief Executive Officers regarding capital increases reserved for the employees;
- It reviews the insurance coverage taken out by the Company regarding corporate officer civil liability.
- It approves the information provided to the shareholders in the annual report regarding corporate officer compensation and the principles and procedures used to set the compensation of such corporate officers and the granting by and exercising of stock subscription or purchase options by the latter;

Corporate Governance:

- In conjunction with the Chief Executive Officer, it is tasked with issuing proposals on the implementation of corporate governance principles and in particular of preparing the evaluation of the Board's work.
 - It periodically reviews whether the directors meet the independence criteria set forth 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 shareholder base 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 the interest of the Company; or the interests of 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 changes in their equity interests; their representation in the Company's corporate governance structures; and any contractual commitments between them and the Company.
- The Compensation, Appointments and Corporate Governance Committee shall be comprised of three to five members, the majority of which must be directors qualified as independent by the Board of Directors. It shall be chaired by an independent director.
 - The Compensation, Appointments and Corporate Governance Committee shall meet at least three times per year. The notices of meeting and an agenda shall be mailed by the Committee Chairman.

7. Secretary of 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 Chief Executive Officer and to draw up the draft minutes of the meetings of the Board of Directors which are then submitted for approval to the Board. He is entrusted with the task of sending the working documents to the directors according to the procedure set forth in Article 3 of these Bylaws and in general makes himself available to directors for any information request pertaining to their rights and obligations, the Board's operation or the life of the Company.

His duties also include maintaining and updating the statements for the prevention of conflicts of interest 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 Chief Executive Officer or the Committee chairmen. He may also be entrusted with the task of sending the working documents to the Committee members.

8. Directors' fees

Upon a recommendation from the Compensation, Appointments and Corporate Governance Committee, the Board of Directors shall distribute the annual amount of directors' fees allocated by the Shareholders' Meeting based in particular on the actual attendance of each director to the Board meetings and any Committee meetings of which he/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 are compensated with fixed portion of a flat amount defined by the Board of Directors and with a variable portion based on attendance to 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 which the directors attended during the previous fiscal year;
- The duties of Director shall not be compensated when these are carried out by the Chairman of the Board, the Chief Executive Officer, a Corporate Officer or the Senior Executive Vice President.
- Directors' fees shall be paid no later than three months following the previous fiscal year.

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