



ACCOR

NOTICE OF MEETING

Combined Ordinary and Extraordinary Shareholders' Meeting

Tuesday, April 30, 2019 at 10:00 a.m at the Novotel Paris Tour Eiffel
61, quai de Grenelle – 75015 Paris



Table of contents



HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING	2
2018 SUMMARY ACCOR MANAGEMENT REPORT	6
AGENDA COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 30, 2019	32
PRESENTATION OF THE PROPOSED RESOLUTIONS TO BE SUBMITTED TO THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING ON APRIL 30, 2019	34
PROPOSED RESOLUTIONS SUBMITTED TO THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 30, 2019	51
MEMBERS OF THE BOARD OF DIRECTORS AFTER THE SHAREHOLDERS' MEETING OF APRIL 30, 2019	67
STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	69
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	73
STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS	78
STATUTORY AUDITORS' REPORT ON THE REDUCTION IN CAPITAL	84
STATUTORY AUDITORS' REPORT ON THE ISSUE OF MARKETABLE SECURITIES OR SHARES AND MARKETABLE SECURITIES WITH AND/OR WITHOUT CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS	85
STATUTORY AUDITORS' REPORT ON THE ISSUE OF COMMON SHARES OR SECURITIES GRANTING ACCESS TO CAPITAL, RESTRICTED TO THE COMPANY SAVING PLAN'S SUBSCRIBERS	87
STATUTORY AUDITOR'S REPORT ON THE ISSUE OF COMMON SHARES OR SECURITIES GRANTING ACCESS TO CAPITAL, RESTRICTED TO SOME CATEGORIES OF BENEFICIARIES AS PART OF AN EMPLOYEE SHARE OWNERSHIP PLAN	89
STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION OF FREE ALLOCATION OF EXISTING OR TO BE ISSUED SHARES	91
STATUTORY AUDITORS' REPORT ON THE ISSUE OF FREE SHARE SUBSCRIPTION WARRANTS IN THE EVENT OF TENDER OFFERS FOR THE COMPANY'S SHARES	92
REQUEST FOR DOCUMENTS	93



A global leader in augmented hospitality, Accor offers unique and unmatched experiences in close to 4,800 hotels, resorts and residences in 100 countries. For more than 50 years, it has combined the full breadth of its hotel know-how in an incomparable collection spanning from luxury to economy brands.

Accor offers more than just a night away from home: it gives its guests new ways of living, working and playing, blending food and beverage, nightlife, wellness and coworking within its brands.

To boost its commercial performance, Accor has developed a range of business accelerators to drive the distribution and operations of its venues and enrich the experiences offered to guests, who also enjoy access to one of the world's most rewarding hotel loyalty programs.

Accor's commitment to sustainable development, for the planet and local communities alike, runs deep. Its *Planet 21 – Acting Here* program advocates positive hospitality, while the Solidarity Accor endowment fund focuses on enabling disadvantaged populations to access employment by offering them vocational training.

HOW TO VOTE

You may exercise your right to vote in any one of the following ways:

- ◇ **in person:** you can attend the Meeting in person by presenting your admittance card;
- ◇ **online:** you can vote online or give proxy online to the Chairman of the Meeting or to another person of your choice;
- ◇ **by post:** you can vote or give proxy to the Chairman of the Meeting or to another person of your choice by sending in the postal voting/proxy form.

Article R. 225-85 of the French Commercial Code stipulates that any shareholder who has already voted, sent a proxy form, requested an admittance card or a certificate of share ownership:

- ◇ may not subsequently choose to participate in a different way;
- ◇ may sell all or some of their shares.
 - ◇ **If all or some of the shares are sold (or title to the shares is transferred) before the second business day preceding the Meeting date, i.e., before 12:00 a.m. CEST on Friday, April 26, 2019, the Company will cancel or modify the postal or online vote, the proxy, the admittance card or the certificate of share ownership. To this end, your bank or broker should notify Société Générale Securities Services of the sale (or transfer of title) and provide all the necessary information.**
 - ◇ **If all or some of the shares are sold (or title to the shares is transferred) after the second business day preceding the Meeting date, i.e., after 12:00 a.m. CEST on Friday, April 26, 2019, you are not required to notify the Company of the sale, notwithstanding any agreement to the contrary.**

You plan to attend the Meeting in person

If you plan to attend the meeting in person, you must inform Société Générale by requesting an admittance card.

1) If you hold **registered shares**, you will receive the meeting documents by post (or by e-mail if you have provided an e-mail address). You can then obtain your admittance card:

- ◇ by logging onto www.sharinbox.societegenerale.com using the login details sent to you; or
- ◇ by returning the form you received with the notice of meeting, which includes the request for an admittance card, to Société Générale using the envelope provided. Simply check **box A**, enter your full name and address (or if your name and address are already printed, check that they are correct), date and sign the form.

If you have not received the card two business days before the Shareholders' Meeting, you should call the **Société Générale admittance card hotline** on + 33 (0)8 25 31 53 15. Lines are open from 8:30 a.m. to 6:00 p.m. CEST from Monday to Friday. Calls from a landline in France cost €0.15 per minute plus VAT.

2) If you hold **bearer shares**:

- ◇ by logging onto the web portal of your bank or broker, with your usual user name and password, and connecting to the VOTACCESS site. Once you are on this site, follow the procedure shown on the screen to print your admittance card (note that this option is only available to holders of bearer shares whose bank or broker is a member of the VOTACCESS system); or
- ◇ by sending the admittance card request to your bank or broker for onward transmission to Société Générale Securities Services.

If you hold bearer shares and you do not receive the card in time, you will nevertheless be granted admittance to the Meeting if you present the certificate of share ownership (attestation de participation) issued by your bank or broker in the two business days preceding the Meeting.

You do not plan to attend the meeting in person

There are several other ways of participating in the Meeting if you cannot attend in person:

1) To vote or give proxy online

To vote online:

Accor gives shareholders access to a dedicated online voting website ahead of the Shareholders' Meeting.

If you hold **registered shares**, you should log onto the secure www.sharinbox.societegenerale.com website using your usual login information. You should then select the Accor Shareholders' Meeting in your list of transactions in progress on the home page. Follow the instructions and then click on "Vote" in the voting rights section. You will then be redirected automatically to the voting website.

If you have lost or forgotten your login information, simply click on "Get your codes" on the login page.

If you hold **bearer shares**, you should log onto the web portal of your bank or broker, with your usual user name and password, to connect to the VOTACCESS site and vote. You simply click on the icon displayed on the line corresponding to your Accor shares. You will only be able to vote in this way if your bank or broker is a member of the VOTACCESS system.

The VOTACCESS website will be open from **9:00 a.m. on April 12, 2019 until 3:00 p.m. on April 29, 2019 (CEST)**. To avoid overloading the site, we recommend that you do not wait until the last day to vote.

To give proxy online to the Chairman of the Meeting or any other person of your choice:

In accordance with Article R. 225-79 of France's Commercial Code, you may give proxy (to the Chairman of the Shareholders' Meeting or to another person of your choice) or withdraw a proxy electronically by logging onto the www.sharinbox.societegenerale.com website if you hold registered shares, or onto the website of your bank or broker if you hold bearer shares, with your usual username and password, in order to connect to the VOTACCESS site as described above.

If your bank or broker is not a member of the VOTACCESS system, you can give or withdraw proxy by sending an e-mail to assemblee.generale@accor.com. The e-mail should include your electronic signature obtained from an accredited certification service provider in accordance with the applicable laws and regulations. You should provide your full name and address as well as the full name and address of the person to whom you are giving proxy (or from whom you are withdrawing proxy), along with your full bank details and a scanned copy of the certificate of share ownership (*attestation de participation*) issued by your bank or broker.

To be valid, e-mail notifications of proxies given or withdrawn must be received, duly signed, at the above address by 3:00 p.m. CEST on April 29, 2019 at the latest.

If you give proxy to the Chairman, he will vote in favor of all of the resolutions presented or supported by the Board of Directors and against all resolutions not supported by the Board.

2) To vote or give proxy by post

On the proxy form (see page 5), enter your full name and address (or if your name and address are already printed, check that they are correct), and date and sign the form.

♦ If you want to cast a postal vote, check the **"I vote by post"** **1** box and indicate your vote for each resolution.

Note that if you cast a postal vote, you cannot subsequently change your mind and attend the Meeting in person or give proxy to vote on your behalf.

♦ If you want to give proxy to the Chairman of the Meeting to vote on your behalf, check the **"I hereby give my proxy to the Chairman of the Meeting"** **2** box.

The Chairman will then vote on your behalf in favor of all of the resolutions presented or supported by the Board of Directors and against all resolutions not supported by the Board.

♦ If you want to give proxy to another person of your choice, check the **"I hereby appoint..."** **3** box and indicate the name of the person to whom you are giving proxy to attend the Meeting and vote on your behalf.

If you hold **registered shares**, you will automatically receive the proxy/postal voting form.

If you hold **bearer shares**, you can obtain a voting form by sending a written request to your bank or broker. Form requests will only be honored if your bank or broker receives them no later than six days before the Meeting date, *i.e.*, by April 24, 2019.

To be taken into account, the proxy/postal voting form must be completed and sent (along with a copy of the certificate of share ownership [*attestation de participation*] if you hold bearer shares) *via* your bank or broker to the Company or to Société Générale Securities Services, Service des Assemblées, 32, rue du Champ-de-Tir, CS 30812, 44308 Nantes Cedex 3, France, no later than three days before the Meeting date, *i.e.*, by April 26, 2019.

To give proxy to a person of your choice (or withdraw a proxy), holders of registered shares should send the proxy form directly to Société Générale Securities Services and holders of bearer shares should send it to their bank or broker for onward transmission. To be taken into account, the proxy form must be received by Société Générale Securities Services at the above address no later than three days before the Meeting date, *i.e.*, by April 26, 2019.

You plan to attend the Meeting in person: check the case A.

You want to cast a postal vote: check here, and follow the instructions.

You want to give proxy to the Chairman of the Meeting: check here.

You want to give proxy to another person: check here and indicate the name of attorney.

1 JE VOTE PAR CORRESPONDANCE / I VOTE BY POST

2 JE DONNE POUVOIR AU PRESIDENT DE L'ASSEMBLEE GENERALE / I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING

3 JE DONNE POUVOIR A / I HEREBY APPOINT:

In all cases, date and sign the form here.

Write your name and address here or verify them if they are already printed.

QUESTIONS

You will be given the opportunity to ask questions during the Meeting, in the question and answer session just before the resolutions are put to the vote.

You may also submit **written questions** before the Meeting by sending them to the Chairman of the Board of Directors **no later than Wednesday, April 24, 2019**, either:

- ♦ by sending a registered letter with return receipt requested to the Chairman of the Board of Directors at Accor – 82, rue Henri-Farman – 92130 Issy-les-Moulineaux – France; or
- ♦ by sending an e-mail to: assemblee.generale@accor.com.

In order to be considered, the questions must be accompanied by a certificate of share ownership.

TEMPORARY TRANSFER OF SECURITIES

If you are temporarily holding, alone or in concert, a number of shares representing more than 0.5% of voting rights (as defined in Article L. 225-126 of the French Commercial Code), you must inform the *Autorité des Marchés Financiers* (AMF) and the Company no later than the second business day prior to the Shareholders' Meeting, *i.e.*, by 12:00 a.m. CEST on Friday, April 26, 2019, by sending an e-mail to declarationpretsemprunts@amf-france.org and assemblee.generale@accor.com.

2018 Summary

Accor management report



2018 was a landmark year with an abundance of achievements for Accor, whose model is now asset-light. The Group continued its strong organic growth, with the opening of a record 300 hotels (43,905 rooms) worldwide. It stepped up its development in the luxury, lifestyle, premium and midscale segments through the acquisitions of Mantra, Mövenpick, Atton and 21c Museum, and strategic partnerships with SBE and Mantis.

It continued to diversify its activities by acquiring new distribution channels in hotel bookings for business travelers with Gekko, in restaurant bookings with ResDiary, and in supply management and meal preparation optimization solutions for restaurants with Adoria.

Accor also refocused its core business on hotel operations by selling 64.8% of AccorInvest to international investors, and deconsolidating the entity.

Going forward, Accor's growth will be driven by the fast pace of its development, the high quality and diversity of its offerings, the appeal of its brands and its loyalty program, and the strength of its distribution; leverage from these aspects holds the prospect of delivering EBITDA of €1.2 billion in 2022.

Accor's results for 2018 reflect the transformation currently in progress. Driven by growing business worldwide, its results are clearly improving, with EBITDA of €712 million, and free cash flow of €529 million.

Operating income was affected by impairment recorded on onefinestay and John Paul in the amount of €246 million, and the net financial expense deteriorated by €14 million due to negative currency effects.

Net profit, Group share, which includes the €2.4 billion capital gain generated by the sale of 64.8% of AccorInvest, came to €2,233 million, compared with €446 million in 2017.

2018 BUSINESS REVIEW

Revenue

Consolidated 2018 revenue amounted to €3,610 million, up 8.8% at constant scope of consolidation and exchange rates (like-for-like) and up 30.2% as reported compared with 2017. The difference between the like-for-like and reported changes stems primarily from the acquisitions completed over the year (including Mantra and Mövenpick), partly offset by a negative currency effect.

HotelServices reported business volume of €20 billion, up 13.4% at constant exchange rates, and revenue of €2,618 million, up 8.4% like-for-like, reflecting the solid trading conditions over the year and the development of the hotel portfolio, in line with the Group's targets (5% organic growth). Reported revenue growth amounted to 7.2%, impacted by a negative currency effect.

Reported revenue over the year reflected the following factors:

- ◇ changes in the scope of consolidation (acquisitions and disposals) had a positive impact of €394 million (+12.8%), due to the contributions of Mantra, Mövenpick, Atton, Gekko, ResDiary and Adoria;
- ◇ currency effects had a negative impact of €144 million, attributable chiefly to declines in the US dollar (€37.1 million), the Brazilian real (€31.9 million) and the Australian dollar (€28.4 million). The decline in currencies against the euro was felt primarily in H1 2018, with a residual impact in H2 2018.

EBITDA

Consolidated EBITDA amounted to **€712 million** in 2018, up 8.0% like-for-like and up 14.5% as reported compared with 2017. The 14.5% increase reflected the acquisitions of Mantra, Mövenpick and Gekko for €57 million, and the

unfavorable exchange rate impact of €23 million over the year. The **EBITDA margin** was down 2.7 percentage points year on year to **19.7%**.

Adjusted EBITDA

In view of the change in the Accor model, and the growing number of partners in which the Group has minority stakes (Mama Shelter, Nextdoor, SBE, Mantis, Rixos, Atton, Adagio, Risma, 25hours, Paris Society and Potel et Chabot), Accor now calculates adjusted EBITDA including the share of EBITDA of these companies in order to assess the value creation of its broader ecosystem, which contributes directly to its earnings.

In 2018, the Group's **adjusted EBITDA** increased by 34% to **€999 million**, compared with €743 million in 2017, thanks to its share of the EBITDA of its various partners.

EBIT

EBIT was **€550 million** in 2018, compared with €497 million in 2017.

Personnel expenses amounted to €1,818 million, *versus* €1,607 million, an increase of 13% compared with 2017. **Rental expense** amounted to €148 million in 2018, compared with €104 million in 2017. **Depreciation, amortization and provision expense** totaled €162 million compared with €126 million in 2017.

Other operating expense includes the fees collected from AccorInvest in the amounts of €462 million in 2017 and €174 million in the first five months of 2018, which were eliminated until the date of loss of control of that entity. Other operating expenses consist mainly of marketing, advertising, promotional, selling and information systems costs.

Rental expense concerns the Group headquarters and hotel assets operated under leases.

Operating profit

Operating profit fell by €196 million to **€229 million**, compared with €425 million in 2017.

The share of net profit of associates and joint ventures increased by €52 million, from €28 million in 2017 to **€80 million** in 2018.

Non-recurring income and expenses declined by €301 million to a **net expense of €401 million**, compared with a net expense of €99 million in 2017.

- ◆ **Gains and losses on the management of hotel properties** came to a gain of **€33 million** in 2018, corresponding to the sale of the Sofitel Budapest Chain Bridge, compared with a loss of €5 million in 2017.
- ◆ **Restructuring costs**, mainly related to a transformation plan in Europe and in the Group's Paris headquarters, amounted to **€125 million**, compared with €44 million in 2017.

- ◆ **Asset impairment** amounted to **€250 million**, compared with €3 million in 2017, with €246 million on onefinestay and John Paul.

Other non-recurring income and expenses totaled an expense of **€58 million**, compared with an expense of €47 million in 2017, covering transaction costs related to the Mantra and Mövenpick acquisitions for €23 million and integration costs for the FRHI Group for €9 million.

In 2017, **non-recurring income and expenses** consisted of bank fees, legal fees and consulting costs related to the spin-off and disposal of AccorInvest in the amount of €56 million, restructuring costs of €44 million and acquisition-related costs of €23 million.

Net profit, Group share

Net financial expense amounted to **€67 million** in 2018, compared with €53 million in 2017. This unfavorable change of €14 million is attributable mainly to the following items:

- ◆ a reduction of €19 million in interest on bonds resulting from the reimbursement of two bonds in June and November 2017;
- ◆ a loss of €14 million, partially counterbalancing the positive impact of €18 million in 2017 related to currency effects between the Swiss franc and the euro on balance sheet items generated during the legal restructuring of the AccorInvest scope.

The Group's **income tax expense was €119 million**, compared with a benefit of €43 million in 2017. As a reminder, this resulted from the combined impact of a

€73 million deferred tax asset related to the spin-off of AccorInvest, the 14-percentage-point reduction in the tax rate in the United States in the amount of €59 million, and legislative changes on dividends received and paid in the amount of €63 million.

Net profit from discontinued operations was **€2,241 million**, compared with €71 million in 2017. This includes the capital gain of €2.4 billion generated by the sale of 64.8% of AccorInvest.

Net profit, Group share accordingly increased by a very strong €1,787 million to **€2,233 million**, while **earnings per share** rose from €1.42 in 2017 to **€7.61**, based on the weighted average number of shares outstanding at December 31, 2018 (288,491,096).

Recurring free cash flow

Funds from operations amounted to **€617 million** in 2018, compared with €555 million in 2017, due to good levels of business in most of the Group's markets and strong €90 million growth in EBITDA.

Recurring expenditure, which includes digital and IT expenditure, as well as maintenance expenditure on the remaining owned and leased hotels, amounted to €124 million in 2018, down from €161 million in 2017, due essentially to calendar effects.

Working capital was a **negative €233 million** in 2018, compared with a negative €262 million at end-2017. This €29 million change is attributable mainly to the profit generated by legislative changes affecting the taxation of dividends received and paid.

The Group's **recurring free cash flow**, which was **€529 million**, or €1.84 per share, rose by 22% in 2018, with a cash conversion rate of 83% (EBITDA less recurring expenditure), driven both by the increase in income and a lower amount of expenditure than in 2017.

Dividend and payout ratio

On the basis of the good results of 2018, and on the recommendation of the Board of Directors, Accor will ask shareholders at the Annual Shareholders' Meeting of April 30, 2019 to approve the payment of a cash-only dividend of €1.05 per share.

Financial flows

Acquisitions carried out in 2018 amounted to **€2,830 million**, of which mainly:

- ◇ **€1,598 million** for the acquisitions of Mantra, Mövenpick Hotels & Resorts, Atton Hoteles, 21c Museum Hotels, Gekko and ResDiary, and **€292 million** for equity investments in SBE Entertainment Group and Mantis;
- ◇ **€339 million** to acquire 33.15% of the capital of its subsidiary Orbis in a takeover bid. Following the completion of the bid, the Group holds 85.8% of its Polish subsidiary. This transaction fits in with Accor's strategy by allowing the Group to consolidate its leadership in Central and Eastern Europe, to reinforce its control of Orbis and to continue to roll out its asset management strategy;
- ◇ **€388 million** to acquire the building of its Paris headquarters, at a price well below its appraisal value.

Asset disposals amounted to **€4,923 million**, compared with €147 million in 2017, including the sale of 64.8% of AccorInvest for €4,825 million, and disposals of hotel assets in the amount of €98 million, including the Budapest Sofitel.

Dividends paid to shareholders increased to **€323 million** in 2018 from €163 million in 2017.

The two tranches of the share buyback program were carried out in a total amount of **€850 million**, with a first tranche of €350 million completed in late November 2018, and a second tranche of €500 million launched in December.

Net debt accordingly totaled **€1,153 million** at December 31, 2018, down €735 million compared with December 31, 2017. The €4.8 billion received by the Group from the sale of 64.8% of AccorInvest's capital was largely reinvested in 2018.

At December 31, 2018, the **average cost of the Group's debt** was **1.9%**, with an **average maturity of 3.6 years**.

In January 2019, Accor successfully placed two bond issues: a €600 million senior bond maturing in 2026 with a coupon of 1.75% and a €500 million perpetual hybrid bond with a first call in 2024 and a coupon of 4.38%. These issues were used to buy back the €350 million bond issue maturing in 2021 with a coupon of 2.63% and the €386 million perpetual hybrid bond issue with a first call in 2020. The remaining proceeds of the €1.1 billion raised will be used to reimburse the €335 million bond issue maturing in March 2019 with a coupon of 2.50%. The result of this liability management transaction was a decrease of the **cost of debt to 1.8%** and an **increase of the average maturity to a comfortable 4.8 years at end-February 2019**.

CONSOLIDATED INCOME BY STRATEGIC BUSINESS

HotelServices

HotelServices corresponds to Accor' business as a hotel manager and franchisor, which are presented separately:

- ◇ "Management & Franchise": the hotel management and franchise business, based on the collection of management and franchise contract fees, as well as revenue generated by Purchasing:
 - ◇ **franchise agreements:** franchised hotels are operated by their owners. Accor provides various services to its franchisees, such as the use of its brands, first and foremost, and access to the Group's centralized booking system. The other services offered to hotel owners include access to the centralized purchasing system and to Accor Académie for employee

training. Accor is remunerated for these services *via* fees, including trademark fees and sales and marketing fees, as well as through the invoicing of additional services, where applicable;

- ◇ **management contracts:** hotels under management contracts are similar to franchised hotels in that Accor only records the fees paid by the owner and not the hotel's revenue. However, these hotels are managed by Accor. Fees collected include franchise fees, as well as a revenue-indexed management fee and, in a number of cases, an owner-paid incentive fee representing a percentage of EBITDAR.

- ◆ “Services to hotel owners”: activity comprising the various services on which the Group spends the sums received from the hotels: sales, marketing and distribution activities, loyalty program, shared services as well as re-billed costs incurred on behalf of hotels (such as the cost of employees working in them).

Until the end of 2017, the performance of the HotelServices segment was tracked by geographic region. Going forward, geographical monitoring will be performed within the Management & Franchise segment. Moreover, the regional breakdown has been adjusted to reflect the Group’s new business organization. France and Switzerland have been merged into the Europe region. The Worldwide Structures area, which included support entities whose flows were not specific to a single region, has been removed, resulting in the reallocation of its revenue and expense flows to the various regions.

The Management & Franchise activity is accordingly divided into the following five operational regions:

- ◆ Europe;
- ◆ Middle East & Africa;
- ◆ Asia-Pacific;
- ◆ North America, Central America & the Caribbean;
- ◆ South America.

Revenue

HotelServices reported **business volumes of €20 billion**, up 13.4% (at constant exchange rates), and **revenue of €2,618 million**, up 7.2% as reported and **8.4%** like-for-like.

The combination of solid RevPAR growth and rapid development drove the robust like-for-like M&F revenue growth for Europe and Asia-Pacific of 8.7% and 8.4%, respectively. In Middle East & Africa, revenue declined by 1.1% following the closing of some hotels and despite a slight 1.8% improvement in RevPAR. Conversely, the continued buoyant trading conditions in North America, Central America & the Caribbean and in South America translated into strong revenue growth of 17.1% and 13.8%, respectively.

The Luxury segment accounted for 38% of the Management & Franchise fees in 2018. This segment’s contribution to revenue generation will continue to grow over the next years through the opening of many upscale hotels currently in the pipeline.

RevPAR

Group RevPAR was up **5.6%** overall in 2018.

Europe posted RevPAR growth of 6.5%.

- ◆ This performance was predominantly driven by France, where RevPAR grew by 6.9% over the year, lifted by strong gains in Paris of 12.2%.

- ◆ In the UK, RevPAR grew by 2.9% due particularly to strong demand in London, which reported 4.8% RevPAR growth.
- ◆ In Germany, excellent business volumes thanks to the Christmas markets in December boosted RevPAR at the end of the year, resulting in full-year growth of 3.2%.
- ◆ Spain saw a good recovery in Catalonia after the political tensions in 2017. The inflow of foreign tourists in the country reached a record level at 83 million, enabling RevPAR to grow by 3.8% over 2018.

Asia-Pacific continued to perform well, posting RevPAR growth of 4.3% over the full year, with a clear inflexion in Q4, following signs of a slowdown observed early in the year. China remains solid with 6.8% RevPAR growth over the year.

Middle East & Africa delivered more mixed results, posting moderate RevPAR growth of 1.8%, which is nevertheless a very good performance in a hotel market that was down overall. The region is impacted by oversupply in certain key cities.

North America, Central America & the Caribbean reported RevPAR growth of 4.0%, notably reflecting strong activity in Canada, where RevPAR was up by 7.1% over the full year.

South America experienced a strong recovery throughout 2018, on the back of the steady improvement of the Brazilian activity seen since Q4 2017. RevPAR in the region was up 12.3% over the full year.

EBITDA

HotelServices’ EBITDA was a robust **€705 million** in 2018, compared with €635 million in 2017, an increase of 12.3% on a like-for-like basis. **HotelServices and the holding company together reported EBITDA up 10.7%** on a like-for-like basis, in line with the Group’s annual growth target of between 10% and 12%. **HotelServices’ EBITDA margin** came to 26.9%, compared with 26.0% in 2017.

In **Europe**, EBITDA grew by 11.0% on a like-for like basis, faster than revenue growth, thanks especially to the first effects of the plan to right-size corporate functions.

On the contrary, in **Asia-Pacific**, the like-for-like EBITDA growth of 6.9% was slightly below revenue growth due to an unfavorable comparison basis linked to positive one-offs in 2017.

In **Middle East & Africa**, despite a slight contraction in revenue, like-for-like EBITDA growth amounted to 2.6% following the reversal of provisions in 2018.

Regarding **North America, Central America & the Caribbean**, like-for-like EBITDA growth was impacted by some non-recurring litigation costs but remained solid at 9.6%.

Finally, like-for-like EBITDA growth of 22.8% in **South America** was notably fueled by a solid business recovery, which triggered incentive fees from numerous hotels in the region.

HotelServices' P&L performance

HotelServices derived 37% of its **revenue** from management and franchise fees, and 63% from the "Services to hotel owners" activity because of the inclusion of personnel expenses reimbursed by the owners to HotelServices, in accordance with IFRS 15.

New Businesses

This operating segment corresponds to new businesses developed by the Group (mainly through acquisitions):

- ◆ Digital services, which offer digital solutions for independent hotels to foster the development of their direct sales (activity carried out by d-edge – formerly Fastbooking and Availpro) and, more recently, restaurant owners to optimize table management and supplies (with ResDiary and Adoria).
- ◆ Hotel booking services for companies and travel agencies with Gekko.
- ◆ Concierge services through the integration of John Paul, with the simultaneous acquisition of a controlling stake in Customer Care.
- ◆ Digital sales, created through VeryChic, which offers exclusive private sales of luxury and upscale hotel rooms and breaks.
- ◆ Luxury home rentals operated by onefinestay, which has a portfolio of more than 5,000 addresses worldwide.

Hotel Assets & Other

The Hotel Assets & Other division corresponds to the Group's owner-operator activities (owned and leased hotels). It combines hotels operated in Eastern Europe, the hotels of the Mantra and Mövenpick groups acquired over the period, as well as a number of other hotels, primarily in Brazil, operated under variable rent leases based on a percentage of EBITDAR. Its business model aims to improve the return on assets and optimize the impact on the statement of financial position. The division spans all asset portfolio management activities, hotel design, construction, refurbishment and maintenance activities.

Going forward, this division will also include three activities carried out in Asia-Pacific, previously presented in the HotelServices division: AccorPlus (discount card program), Accor Vacation Club (timeshare business) and Strata (room distribution and management of common areas).

The **EBITDA margin** of the **Management & Franchise business** was up by a slight 0.5 points to **68.3%**, thanks to the combined effects of RevPAR and expansion, illustrating the resilience of the HotelServices model and the increase in economies of scale.

Since the "**Services to hotel owners**" activity spends the fees collected from hotel operators on sales, marketing, distribution, loyalty or shared services, its **EBITDA margin** is very low, at **2.8%**.

Organic development reached new record levels in 2018. Accor opened 300 new hotels, with 43,905 rooms; it enjoys very encouraging prospects, with a pipeline of 1,118 hotels and 198,000 rooms at December 31, 2018.

The **New Businesses** division posted **revenue** of **€149 million**, an increase of 2.4% on a like-for-like basis from €100 million in 2017. The 49% reported rise reflects the acquisitions of Gekko, whose EBITDA doubled year on year in 2018, as well as ResDiary and Adoria. These three acquisitions, completed in 2018, contributed positively to the Group's results.

EBITDA was stable at a **negative €28 million**, compared with a negative €25 million in 2017. AvailPro and Fastbooking, now housed together under the d-edge brand, generated a positive result for the first time since their acquisition. Accor is also continuing its efforts to bring onefinestay and John Paul to breakeven, notably through streamlining effects.

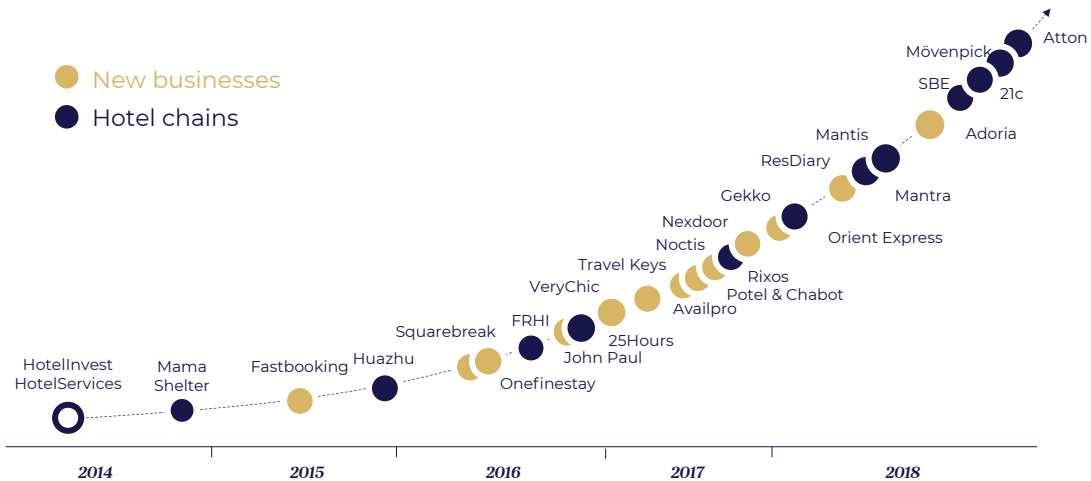
The Group expects its New Businesses to break even starting in the fourth quarter of 2019.

Revenue derived from the Group's **Hotel Assets** grew by a good **8.4%** like-for-like in 2018, reflecting the economic recovery in Brazil and excellent performances in Central Europe (Orbis). On a reported basis, the 43.8% increase in revenue reflects the consolidation of Mantra and Mövenpick.

EBITDA increased from €126 million in 2017 to **€167 million** in 2018, representing growth of **9.4%** on a like-for-like basis and 32.6% as reported due to acquisitions.

A transformed business model, creating more value

In an environment shaped by swift change in guests' habits and the need to refresh the established codes, Accor has profoundly changed its business model in 2018 by selling a majority of its property assets and by consolidating a new ecosystem of brands and services to enrich the exceptional nature of the experiences it offers its guests.



Value-creating portfolio restructuring for AccorInvest and Accor

More than 600 real estate transactions between 2014 and 2016 have seen Accor profoundly reshape its hotel portfolio and significantly boost its performance.

Portfolio restructuring for €1.1 billion and development through acquisitions and hotel constructions for €0.7 billion have lifted AccorInvest's gross asset value, which corresponds to the fair value of the hotel properties owned outright plus the fair value of all the hotel businesses, from €4.5 billion to €7.6 billion. Restructuring has boosted the gross value of AccorInvest's assets by €1.5 billion thanks to the acquisition of leased-hotel portfolios (approximately €2 billion) and to the elimination of loss-making units, which was made possible by the disposal of unprofitable hotels and renegotiations of high rents (€800 million). Hotel earnings amounted to €1.2 billion over the same period. In total, the Group created €2.7 billion in value between 2014 and 2016, with the total number of hotels simultaneously declining from 1,500 to fewer than 1,200. In addition, the portfolio's profitability more than doubled, with the operating margin reaching 8.3% in 2016.

Having inherited all of the Group's restructured assets, AccorInvest was valued at €6.6 billion (excluding the Orbis assets, valued at €1 billion), and sold to international investors in May 2018 on the basis of an enterprise value of €6.3 billion. The sale of 64.8% of AccorInvest enabled the Group to receive cash proceeds of €4.8 billion in 2018.

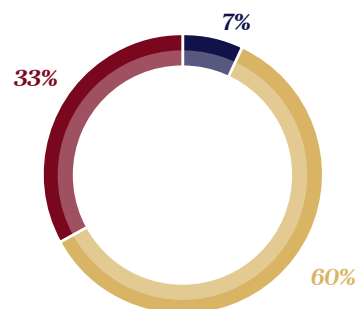
Operating structures refocused on management and franchise contracts

The sale of 64.8% of AccorInvest has significantly reduced both Accor's asset portfolio and its overheads (rents and investments). Owned and leased hotels now account for just 7% of the portfolio, down from 26% in 2017. The Group now operates 60% of its network under management contracts and 33% under franchise agreements, thereby reducing the volatility of its earnings.

The remaining 7% of hotels correspond mainly to hotels owned or leased by Polish company Orbis in Central Europe, in which Accor holds an 85.8% stake.

Hotel portfolio by operating structure at December 31, 2018

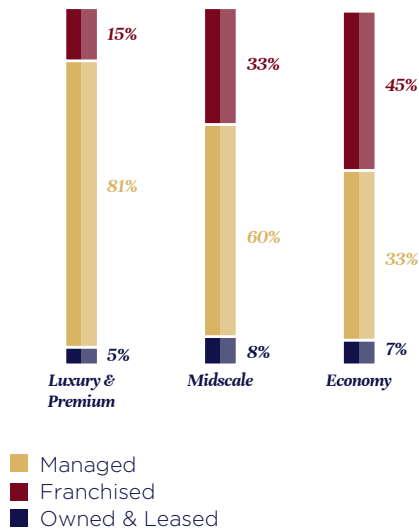
As a % based on number of rooms



- Managed
- Franchised
- Owned & Leased

Hotel portfolio by segment and operating structure at December 31, 2018

As a % based on number of rooms



Although the sale of AccorInvest did little to change the shape of the Accor network in the luxury and premium segments (gain of 3 points vs. 2017⁽¹⁾) and did not change the proportion of franchised hotels, it did significantly change the proportion of management agreements in the economy and midscale segments, since the contracts governing hotels that were previously owned and leased by Accor have been converted to this more profitable management style.

Management and franchise agreements now account for 93% of hotels in the economy segment (up 28 points vs. 2017), 92% in the midscale segment (up 19 points vs. 2017), and 95% in the luxury and premium segments (up 5 points vs. 2017). More specifically, the share of management agreements increased slightly to 81% in the luxury and premium segments (up 6 points vs. 2017), while the proportion of franchise agreements was stable at 15%. Management agreements represent 60% of contracts in the midscale segment (up 20 points vs. 2017) and 48% in the economy segment (up 26 points vs. 2017), while the proportion of franchise agreements was stable at 33% in the midscale segment and up slightly to 45% in the economy segment (gain of 3 points vs. 2017).

Acquisition of Orbis

To consolidate its leadership in Central Europe and gain flexibility in the management of Orbis' asset portfolio, Accor launched a takeover offer for Orbis in November 2018. It held a 52.7% stake at the time. Orbis is the leading hotel group in Central Europe. It has exclusive rights to most Accor brands through a master franchise agreement. Its portfolio includes 128 hotels (21,000 rooms) in 16 countries (Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia), operated under the Sofitel, Pullman, MGallery, Novotel, Mercure, ibis, ibis Styles and ibis budget brands.

The transaction, amounting to €339 million, will allow Accor to boost the development of its brands in the region. It will also give the Group the possibility of eventually selling Orbis' remaining owned and leased hotels and to round out its asset-light model.

(1) Including acquisitions and partnerships completed in 2018.

Investments to consolidate the Group's network, brand portfolio and service offering

Since 2014, Accor has broadened its catalogue of offers by creating a more diversified portfolio of brands and products, from hotels, residences and apartments to coworking spaces, with a decisively stronger focus on the more buoyant luxury, lifestyle and resort segments. It is also consolidating its augmented hospitality model through the acquisition of new businesses and partnerships that enrich its ecosystem and diversify its customer base (leisure, business, Millennials, independent hotels, local residents).

Summary of investments⁽¹⁾ made by Accor from 2016 to 2018

Investments (in millions of euros)	2016 ⁽¹⁾	2017 ⁽²⁾	2018	% invested over the period
Asset portfolio	139	160	119	6.3%
Hotel acquisitions	2,625	108	1,803	68.0%
Acquisitions of new businesses	323	101	174	9.0%
Acquisitions of other businesses	0	46	24	1.1%
Digital plan	43	21	26	1.3%
Other	108	71	780	14.4%
TOTAL	3,239	507	2,925	100.0%

(1) Amounts restated in accordance with IFRS 5.

(2) Amounts restated in accordance with IFRS 15.

In 2018, Accor received €4.8 billion in cash from the sale of 64.8% of AccorInvest, and pursued its strategy further by reallocating €2.9 billion to the development of its business through acquisitions and strategic partnerships, including:

- ◆ €1,465 million to acquire the Mantra, Mövenpick, Atton, 21c Museum and Tribe hotel chains;
- ◆ €292 million to develop hotel partnerships with SBE and Mantis;
- ◆ €161 million to acquire Gekko, ResDiary, Adoria and OnePark;
- ◆ €727 million to acquire the Orbis portfolio and the Group's headquarters.

Hotel acquisitions which diversify the Group's brand portfolio and consolidate its network in growing areas

In recent years, Accor has invested €4.5 billion in hotels.

The Group has significantly expanded its portfolio of brands in the luxury and premium segments by investing in names conveying the promise of unmatched experiences executed perfectly. Satisfying demand for bespoke experiences requires the Group to forget standardized services and to embrace high-level personalization as a means of surprising guests, exceeding their expectations and making their stays exceptional.

Accor strives constantly to heighten its hotels' appeal through attention to detail in each service and the special treatment given to guests, to secure their preference

and stand out from the pack. The Fairmont, Raffles and Swissôtel brands have greatly improved the Group's skills in this respect, and helped develop the practices of the other differentiated brands in the portfolio.

Following the acquisitions of FRHI and BHG in 2016 and 2017, Accor expanded its brand portfolio further in 2018, taking it into innovative and high-value segments and structuring it to achieve a broad balance among the identities and positioning of each brand. Its acquisitions enabled Accor to increase the geographic density of its network and to gain market share in dynamic regions in Asia-Pacific, Latin America and the United States.

In total, the acquisitions of Mantra, Atton, Mövenpick, 21c Museum and Tribe represented an investment of €1.5 billion in 2018.

Acquisition of Mantra, strengthening Accor in the midscale segment in Asia-Pacific

Accor acquired Mantra Group Limited for €830 million. Trading under the Peppers, Mantra and BreakFree banners, Mantra's establishments range from luxury beach resorts to hotel apartments in cities and major tourist destinations.

Mantra's know-how in apartment management represents a new growth opportunity for Accor, allowing it to access new locations, new forms of accommodation and new customers, and complementing its hotel offering in Australia, New Zealand, Indonesia and Hawaii.

(1) See Note 8.4 to the consolidated financial statements for more details.

The merger of the two groups provides the new entity with new facilities, know-how and complementary services, as well as better distribution and improved operating systems, reinforcing its growth.

The Group has also consolidated its operations in Europe and the Middle East with the acquisition of Mövenpick Hotels & Resorts.

Acquisition of Mövenpick, reinforcing Accor in the premium segment in Europe and the Middle East

The acquisition of Mövenpick Hotels & Resorts for €482 million illustrates Accor's strategy of seizing every opportunity to consolidate its leadership and boost growth.

Founded in Switzerland in 1973, Mövenpick Hotels & Resorts operates in 27 countries with 84 hotels (20,000 rooms) and a strong presence in Europe and the Middle East. Mövenpick Hotels & Resorts also plans to open 42 additional hotels by 2021, representing almost 11,000 rooms, with significant expansion in the Middle East, Africa and Asia-Pacific

The acquisition consolidates Accor's presence in Europe and the Middle East, and accelerates its growth in key regions where it has already had well-established operations for many years. Offering high-end expertise in the main hotel-related services, Mövenpick Hotels & Resorts employs more than 16,000 people worldwide. An ideal combination of modernity and authenticity, the Mövenpick brand dovetails perfectly with Accor's portfolio. Mövenpick hotels can build on the strength of Accor's loyalty program, distribution channels and operating systems to maximize their performance.

The acquisition was made on an enterprise value of 10x pro forma estimated 2019 EBITDA before annualized synergies and secured pipeline development. The transaction will have an accretive impact on Group earnings from 2019.

The Group has also strengthened its presence in South America with the acquisition of Atton Hoteles.

Acquisition of Atton Hoteles, bolstering Accor in the midscale and premium segments in South America

Together with Chilean group Algeciras, Accor has acquired Atton Hoteles, which operates 11 hotels (2,259 rooms) in Chile, Peru, Colombia and Florida, for €98 million.

Accor acquired 100% of the management company (€74 million) and 20% of the real estate company holding the assets (€24 million), with the remaining 80% acquired by Algeciras.

Founded in Chile in 2000, the Atton Hoteles brand caters to business travelers on the midscale and premium segments. It has three hotels under development to add to the 11 it currently operates. This acquisition will enable Accor to further consolidate its current footprint in Latin America, where the Group has maintained leadership for many years, with 335 hotels operating, and 166 under development, while strengthening its presence in fast-growth markets such as Chile and Peru.

In order to capitalize on Atton's existing brand equity, most of these properties will be co-branded with Accor brands, before being fully rebranded to Pullman, Novotel, MGallery and Mercure in the medium term.

The transaction reflects estimated 2020 enterprise value/EBITDA ratios of 10x and 9x, respectively, post-synergies and pipeline. It will have an accretive impact on Group earnings from 2019.

In its search for markets and diversification, Accor has also entered into various hotel partnerships.

Hotel partnerships which broaden the Group's brand portfolio and consolidate its network in growing areas

Over the last four years, Accor has entered into numerous partnerships with Huazhu, Mama Shelter, 25hours, Orient Express, Banyan Tree and Rixos to expand its brand portfolio and diversify its network in terms of geography and segment. In 2018, the Group continued making this type of alliance with Mantis and Katara Hospitality in Africa, with Dalmata Hospitality in France, and with SBE in the lifestyle segment in the United States.

At the end of 2018, the Group's most significant strategic partnerships in terms of its investment were AccorInvest, with a 35.2% stake (€1.25 billion), and Huazhu, with a 10.8% stake (\$1.1 billion). Accor's hotel partnerships with other companies generally serve the same objectives, namely:

- ◆ increase the Group's revenue by expanding its network (number of hotels, geographic density), *i.e.*, the number of franchise and management agreements, including for non-branded establishments;
- ◆ distribute new concepts (resort, lifestyle, collections, rentals of private residences) and the brands that house them to cover all the aspirations of travelers;
- ◆ increase its active customer base by multiplying points of contact (qualitative approach) and combining its loyalty program with that of other partners (quantitative approach).

Strategic partnership with AccorInvest

AccorInvest has 30,000 employees in 27 countries worldwide, and owns 881 hotels (126,000 rooms) out of the 1,182 assets owned and leased by Accor. Of these, 348 are wholly owned by AccorInvest and 533 operated under fixed- and variable-rent leases.

New management contracts governing the relationship between Accor and AccorInvest, including the fees paid by AccorInvest to Accor, have now been entered into in line with market practices. Better aligned with the hotels' EBITDAR (incentive fees), these fees are expected to increase going forward thanks to significant investments to boost the performance of the hotels in the AccorInvest portfolio. Accor also retains the management contracts relating to the operation of these hotels, for a very long period for luxury and premium hotels (50 years including a 15-year renewal option), and a long period for the midscale and economy segments (30 years on average, with a 10-year renewal option).

Strategic partnership with Huazhu

In 2014, Accor concluded a strategic alliance with Huazhu, giving the Chinese company exclusive rights to franchise development in the economy (ibis, ibis Styles) and midscale (Novotel and Mercure) segments, and for the Grand Mercure brand in China, Taiwan and Mongolia.

Huazhu operates and develops these activities, while Accor continues to develop and operate its luxury and premium brands in China (Sofitel, Pullman, MGallery and The Sebel).

A development target of 350 to 400 hotels by 2020 has been set. However, the Group's growth in the countries covered by the partnership has been extremely rapid since the establishment of the alliance, with 177 hotels signed up at the end of 2018 and more than 280 under negotiation.

In addition, around 1,273 Accor hotels are available on Huazhu's distribution platforms and nearly 380 Huazhu hotels are available on the accorhotels.com platform, enabling Huazhu's 122 million Chinese loyalty program members to benefit from the Accor loyalty program.

In view of Huazhu's strong growth in China, the 10.8% equity interest acquired for \$193 million in 2014 was worth \$1.1 billion as of February 2019. The 470% increase in four years has exceeded the Group's initial expectations and substantially contributed to its performance.

Furthering its expansion in growing areas, Accor has also forged two major partnerships with Mantis and Katara Hospitality in travel and hospitality in Africa.

Partnership with Mantis, reinforcing Accor in the luxury segment in Africa

Mantis is a pioneer in customized, one-of-a-kind travel, with some of the world's most imaginative hotels. This strategic partnership announced on April 5, 2018 has allowed Accor to deepen its footprint in Africa. Mantis is a brand boasting strong roots and a rich history. It is renowned for its commitment to preserving the natural environment, and boasts a stellar reputation in the hospitality sector.

Mantis operates a collection of high-end establishments, either directly owned and managed or bearing its brand. The network includes 28 properties, plus an international portfolio of hotels and residences operated under the Mantis brand, including boutique villas and establishments such as the Founders Lodge, a game reserve on the Eastern Cape; Mantis St Helena, a boutique hotel nestled on the remote island of St. Helena; and the Draycott Hotel in London. Mantis also owns and operates several cruise ships and a luxury lodge operated under the Zambezi Queen Collection brand.

The partnership was accompanied by the launch of the Community Conservation Fund Africa (CCFA), a non-profit organization aimed at increasing both groups' commitment to preventing the decline of wildlife in Africa, with the support of three conservation organizations: Wilderness Foundation, Tusk Trust and African Parks.

Creation of a hotel investment fund with Katara Hospitality in Sub-Saharan Africa

Accor and Katara Hospitality have created an investment fund with investment capacity of more than \$1 billion to meet the fast-growing need for quality hospitality in various Sub-Saharan African countries enjoying very strong growth.

The fund will have \$500 million in equity, of which Katara Hospitality and Accor will contribute \$350 million and \$150 million, respectively, over the next five to seven years, with additional financing capacity through debt and joint investments with other partners.

These resources will be allocated to the construction of new hotels in greenfield areas or in urban regeneration projects, or the acquisition and rebranding of existing properties, in a region offering compelling growth opportunities. Forty hotels (approximately 9,000 rooms) have been identified across the full range of Accor's internationally acclaimed brands, from the economy to luxury segments, including private residences.

With this initiative, Katara Hospitality and Accor aim to create the leading hotel fund dedicated to long-term growth in Africa, bringing support to job creation, training, skills transfer, local supply chains and local communities, operating in accordance with the United Nations Sustainable Development Goals.

Accor has also embarked on a strategic partnership with Dalmata Hospitality, France's leading independent hotel management company in the economy segment.

Partnership with Dalmata Hospitality, strengthening Accor in the economy segment in France

As part of this partnership, Dalmata Hospitality is to rebrand 20 of its franchised hotels (1,500 rooms) as ibis Styles, ibis, ibis *budget* or hotelF1, and contribute to their development through a major renovation program spanning 18 months, while the implementation of quality management will help increase the value of these hotels. Dalmata Hospitality will also play a part in the three-year renovation plan of the hotelF1 brand, whose entire portfolio will offer new designs and services by 2020, all thought out with the needs of nomads in mind.

The partnership combines Accor's key skills in development, purchasing, technology, IT, marketing and revenue management with Dalmata Hospitality's expertise in purchasing, renovation, management and increasing the value of franchised economy hotels. It strengthens Accor's leadership in the economy segment in France and demonstrates the appeal of its brands among hotel operators.

Thanks to these operations, Accor's development is very dynamic and represents a real asset at a time when the Group, like all of its competitors, needs to consolidate its market share around the world and extend its leading positions, while raising the bar in terms of the return on investment in development. In 2018, Accor accordingly continued its strategy of the last two years of investing in the lifestyle segment, where value-creation potential remains intact.

Reinforcement of the lifestyle portfolio

Travelers aspire above all to incomparable experiences. Highly attractive, the lifestyle concept reflects a way of being, thinking and living for guests in a quest for unique and inspiring experiences, those seeking offers that resonate with their values and way of life. For the past two years, Accor has been seizing every opportunity to invest in this fast-growing segment around the world. Its lifestyle offering has been a great success, especially with Millennials in the economy segment; witness the Jo&Joe hostels, where modular spaces offer scope to optimize use.

Similar options are also available in the luxury segment, where they are synonymous with exclusive experiences and outstanding concepts, with unrivaled quality of service and a new sense of what hotel accommodation can be. It was in this spirit of originality that the Group acquired 21c Museum Hotels and formed a partnership with SBE Entertainment Group.

Acquisition of 21c Museum Hotels, fortifying Accor in the premium and lifestyle segments in North America

Accor has acquired 85% of 21c Museum Hotels for €46 million (excluding any earn-out payments). 21c Museum Hotels is a hotel management company that sets out to provide an innovative travel experience by bringing together contemporary art museums, boutique hotels and restaurants. Founded in 2006 by contemporary art collectors seeking to use art as a driver of urban revitalization and a catalyst for social cohesion, 21c Museum Hotels has expanded its network across the United States. It currently operates eight properties and is planning to open three more soon.

21c Museum Hotels now ranks as one of America's largest museums of contemporary art, and is home to the only collection devoted solely to 21st century art in North America. The exhibitions and events proposed by 21c are free and open to the public 24 hours a day, 7 days a week. Each establishment innovatively combines a warm welcome, meticulous design and culinary creativity.

Since its products are so atypical, the 21c Museum Hotels are a perfect fit for MGallery's collection of boutique locations, which each have their own design and their own story to tell, thereby helping the brand make its debut in the North American market.

21c Museum Hotels enjoys Accor's support in terms of development and commercial visibility, joining its hotel platform and gaining access to its distribution networks, while still cultivating an independent spirit. The co-founders remain closely associated with 21c Museum Hotels by bringing their creativity and support to the blend of art, design and hospitality that characterizes the 21c experience.

Partnership with SBE Entertainment Group, strengthening Accor in the luxury and lifestyle segments in North America

Accor has partnered with SBE Entertainment Group to expand its offering in the luxury hotel segment and round out its network with a series of iconic hotels in major North American cities including Los Angeles, Miami, Las Vegas and New York. Accor's total investment amounted to €278 million, including the acquisition of 50% of SBE's capital for €104 million, with Sam Nazarian keeping a 50% stake in the company, and its participation in the issue of a preferred debt instrument repaying an existing loan in the amount of €174 million.

SBE is one of the world's most innovative groups in luxury and lifestyle. Founded in 2002, it is a major luxury hotel operator combining property development, management and operation of hotels and well-known brands, spanning luxury residences and apartment hotels, wellness and spa programs, and catering and event services. At the end of 2018, SBE operated 25 hotels in North America (7,498 rooms), plus 170 restaurants, bars and clubs in the most popular international destinations. Plans include 20 new hotels and residences, 59 restaurants, and bars and nightclubs outside its hotel business in the Middle East, Asia and Latin America. The SLS, Delano, Mondrian, Hyde and The Originals brands (Sanderson, St. Martin Lane, Hudson, 10 Karakoy, Shore Club and Redbury hotels) are the company's main hotel and residence brands. Building on its Disruptive Restaurant Group platform, SBE has created award-winning restaurant banners around the world, as well as innovative brands in the bar and nightlife worlds.

The partnership strengthens Accor's position in this fast growing segment synonymous with exclusive experiences, consummate quality of service and constantly refreshed hotel stays in key US cities and other world-leading destinations. SBE's residential, culinary and event brands have joined Accor's loyalty program and are now distributed on its hotel platform to speed up their growth worldwide.

Acquisition of Tribe, reinforcing Accor in the midscale and lifestyle segments

Accor continued to develop its brand portfolio in 2019, launching the Tribe lifestyle brand in the midscale segment.

Designed to meet the needs of travelers looking for a quality hotel experience at an affordable price, Tribe's offerings are original, exciting and well thought out, with style taking precedence over price. Tribe aims to build on its singular and flexible model to provide an unrivaled response to the expectations and requirements of regular, independent, curious and bold international travelers.

Tribe establishments will be lively places featuring a convivial lobby, rooms with premium comfort and advanced technologies. They will offer traditional accommodation experiences by allowing guests to work, live and play in contemporary surroundings. Attentive to ease of use, but without comprising on esthetics or comfort, Tribe hotels will enjoy a modern style embellished with iconic objects giving the impression of a high-end universe, based on design and technology, guaranteeing a quality hotel experience. Ten openings are already planned in Europe and Asia-Pacific by 2022, representing more than 1,700 rooms.

With this new concept, Accor is continuing to expand its brand portfolio in the lifestyle segment, where it is the world leader. Building on the success of Jo&Joe and its partnerships with 25Hours, Mama Shelter and SBE Entertainment, the Group is enriching its catalogue of exclusive offers in a growing number of destinations, and

creating unforgettable experiences for demanding guests seeking trailblazing concepts. Together, these brands reinforce Accor's lifestyle ecosystem and give it one of the industry's most comprehensive brand portfolios.



A balanced, well-rounded brand portfolio

At the end of 2018, Accor's classic brand portfolio relied on major legacy networks ibis and Novotel, now fully modernized, higher value brands including Pullman, and big contributors such as Sofitel (fees of 8.4%) and Fairmont (fees of 14%).

Moreover, the Group's portfolio has been broadened in all segments and has become easier to understand for customers and partners alike, responding with its breadth to all aspirations, whether they be for classic hotels, collections, lifestyle solutions, resorts or brands with strong regional roots.



Accor has also continued to diversify its activities by acquiring other highly innovative players in their market to offer more services to its guests and partners.

An ecosystem enriched with new performance-enhancing services

With a diversified, balanced and innovative brand portfolio, Accor is simultaneously expanding its augmented hospitality model by consolidating an abundant ecosystem of coherent businesses and services enabling it to offer its guests innovative and exclusive personalized experiences.

Over the past four years, Accor has committed €633 million to new businesses seen as future growth drivers for the Group. These transactions have allowed it to enrich its catalogue of customized services (John Paul) and other services in events, fine dining and entertainment (Paris Society and Potel & Chabot). The Group has also extended its accommodation activities to the rental of private residences (onefinestay) and coworking spaces (Wojo (ex-Nextdoor), MamaWorks), and expanded into digital services for independent

hotels (D-EDGE, formerly Fastbooking and Availpro) and distribution activities such as private sales of hotel accommodation and luxury vacations (VeryChic).

In 2018, the Group continued its diversification strategy by acquiring Gekko, ResDiary and Adoria to expand its distribution to business customers and restaurants.

Representing 9% of Accor's capital expenditure from 2016 to 2018, these targeted equity investments boost hotels' operating performance by enabling them to:

- ◇ optimize hotel traffic *via* new distribution channels to reach more guests; offer digital services optimizing the online visibility of Accor hotels and independent hotels;
- ◇ optimize the availability of hotel infrastructure by meeting the needs of nomad workers and maximizing the use of car parks and kitchens;
- ◇ enrich the guest experience through tailor-made solutions, rental of private residences with bespoke services, events management, fine dining and entertainment.

TOP/BOTTOM LINE OPTIMIZATION FOR OUR HOTEL	LEVERAGING SQUARE METERS IN OUR HOTEL	EXPERIENCE ENHANCEMENT FOR OUR HOTEL GUESTS
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>VERYCHIC Exceptional private sales</p> <hr/> <p>d-edge Digital expertise for independent and Accor hotels</p> <hr/> <p>ResDiary Distribution platform for restaurants</p> </div> <div style="width: 45%;"> <p>Gekko Group New distribution channels to reach more corporate and leisure guests</p> <hr/> <p>Adoria Procurement services in F&B</p> </div> </div>	<p>WOJO Better meet the needs of nomad workers</p> <hr/> <p>onepark Optimize car park occupancy</p> <hr/> <p>Grooms Optimize kitchen occupancy</p>	<p>onefinestay Luxury private rentals</p> <hr/> <p>JOHN PAUL Personalized services for guests</p> <hr/> <p>properly Housekeeping and Inspection Tech Platform</p>

Acquisition of Gekko, a specialist in hotel distribution solutions dedicated to business customers

The acquisition of Gekko is part of Accor's strategy of strengthening its leadership across the customer value chain by rounding out its service offering for business travelers. Accor's strong international presence combined with Gekko's technological leadership has created a world leader in B2B hotel distribution.

Business tourism is a key part of the Group's business. Gekko can meet the specific needs of business customers throughout the value chain, through its subsidiaries HCorpo (key accounts), Teldar Travel (leisure travel agencies), Teldar Travel Biz (travel agencies for SMEs), Miles Attack (loyalty program) and Infinite Hotel (wholesaler dedicated to independent French hotels).

Gekko gives Accor a network of 300 large companies and 14,000 travel agencies, and extends its sphere of influence in terms of distribution *via* a connected interface to 600,000 hotels around the world, across all segments. The Group now also has a range of innovative turnkey management tools for these customers, enabling them to manage their payments online and to track and optimize their expenses.

The Group has also consolidated its food and beverage activities by acquiring Adoria and ResDiary.

Acquisition of Adoria, the European leader in management solutions for corporate and contract catering

Adding to its recent acquisitions in the food and beverage sector, Accor has acquired Adoria, the SaaS platform that enables the catering industry to optimize supply management.

The deal fits in with the Group's strategy of acquiring the most innovative and visionary players in their market to offer more services to its guests and partners.

Founded in 2003, Adoria offers centralized solutions for the management of tendering, procurement, logistics and production. Its modular suite guarantees that all stakeholders in the catering chain provide a quality service, from producer to consumer, and ensures their profitability. Adoria is used by 2,700 organizations (30 catering groups), bringing together 300,000 active users and more than 800 manufacturers and distributors.

Accor will support Adoria's international development while benefiting from its expertise and highly qualified team.

Rounding out its equity investments in the food and beverage industry (Potel & Chabot and Paris Society), the acquisition of Adoria dovetails perfectly with the Group's strategy of increasing the number of points of contact with a fast-growing customer base, as does the acquisition of ResDiary in restaurant reservation and table management.

Acquisition of ResDiary, a leading restaurant reservation and table management platform

ResDiary offers restaurant owners a high-end table management service with technology that allows them to optimize their revenue while reining in their operating costs. Its yield and distribution channel management solutions help restaurateurs control availability displayed on third-party channels in order to maximize revenues and limit the booking fees paid to them.

Established in Glasgow in 2004, ResDiary employs more than 100 people in six countries. Particularly well established in Asia-Pacific and the United Kingdom, the platform has a footprint in 60 countries globally, seating 166 million diners a year in more than 8,600 venues.

Accor will support ResDiary's international development while harnessing its expertise to increase the offer of services to its customers.

Through these acquisitions, Accor is mirroring trends in its industry, which is going digital and reinventing itself by leveraging new value-creation drivers. Each of them contributes to diversifying the Group's customer base, increasing the number of points of contact and creating new outlets for hotels in the Accor network. Countless opportunities for emulation and synergies exist between Accor and its partners, as well as among its partners themselves, bringing to the Group's ecosystem a range of skills and services that contribute to enriching Accor's augmented hospitality model and give it new sources of growth.

Development and geographic footprint of the Group

Record development driven by acquisitions and organic growth

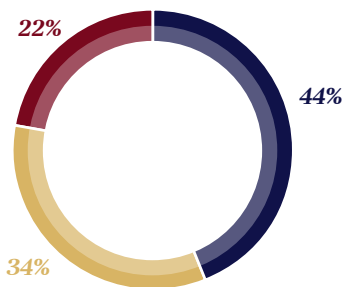
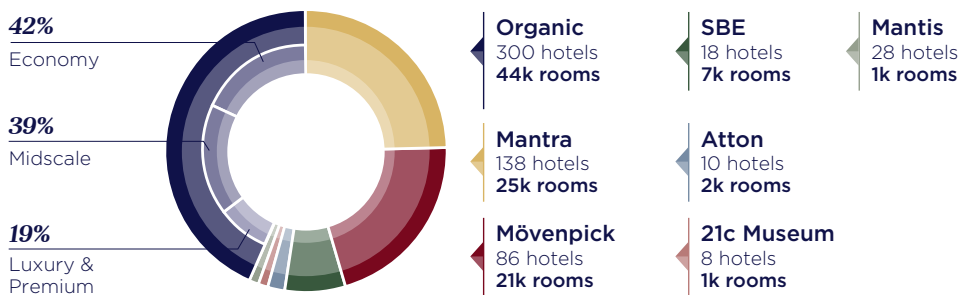
Enjoying strong momentum, Accor saw its network grow by 100 k rooms (588 hotels) in 2018, on the back of acquisitions over the year (49 k rooms, 242 hotels),

organic growth (44 k rooms, 300 hotels) and partnerships with other hotel chains (7 k rooms, 46 hotels).

Accor's development covers all segments, particularly luxury and premium, which accounted for 44% of openings, followed by midscale (34%) and economy (22%).

Openings by segment in 2018

As a % based on number of rooms



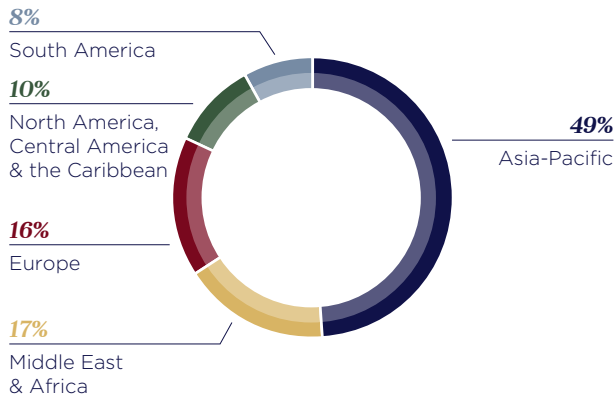
- Luxury & Premium
- Midscale
- Economy

At the same time, a new record was set for organic development, breaking down as 42% in the economy segment, driven by the expansion of the ibis family, which confirmed its strong potential worldwide, 39% in the midscale segment and 19% in the luxury segment.

Together, Accor's acquisitions and partnerships increased the number of luxury hotels in its network by 25% in 2018. The deals with SBE Entertainment, Mövenpick and Mantra (Peppers and Art Series Hotels) were the biggest contributors to growth in this segment (82% of openings in 2018), with the Mantra network also benefiting from growth in the midscale segment (54% of openings) and the economy segment (19% of openings) through the BreakFree brand.

Gross openings by region in 2018 (including acquisitions)

As a % based on number of rooms



Present in more than 100 countries, Accor is the world's most diversified hotel operator, particularly in regions with the greatest potential. The Group's largest market for historical reasons is Europe, home to Accor's densest network: its 2,939 hotels and 333,348 rooms represented 47 % of its total portfolio by number of rooms at the end of 2018. At the same time, Accor has new growth drivers in other parts of the world, such as in Asia-Pacific with 1,082 hotels (30% of rooms), North America, Central America & the Caribbean with 113 hotels (5% of rooms), South America with 375 hotels (8% of rooms) and the Middle East & Africa with 271 hotels (9% of rooms).

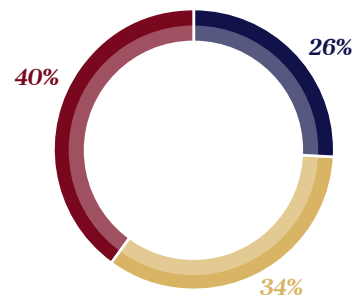
Geographically, 84% of openings were outside Europe in 2018: 49% in Asia-Pacific thanks to Mantra, 17% in the Middle East & Africa thanks to Mantis, 10% in North America, Central America & the Caribbean thanks to SBE and 21c Museum, and 8% in South America thanks to Atton.

Global coverage spanning all market segments

Accor operates on six continents and covers all market segments, from economy to luxury. A leader in most geographies (other than China and the United States), Accor is consolidating its network and cementing its positions thanks to strong development and the optimization of its coverage in all regions and segments.

Hotel portfolio by segment at December 31, 2018

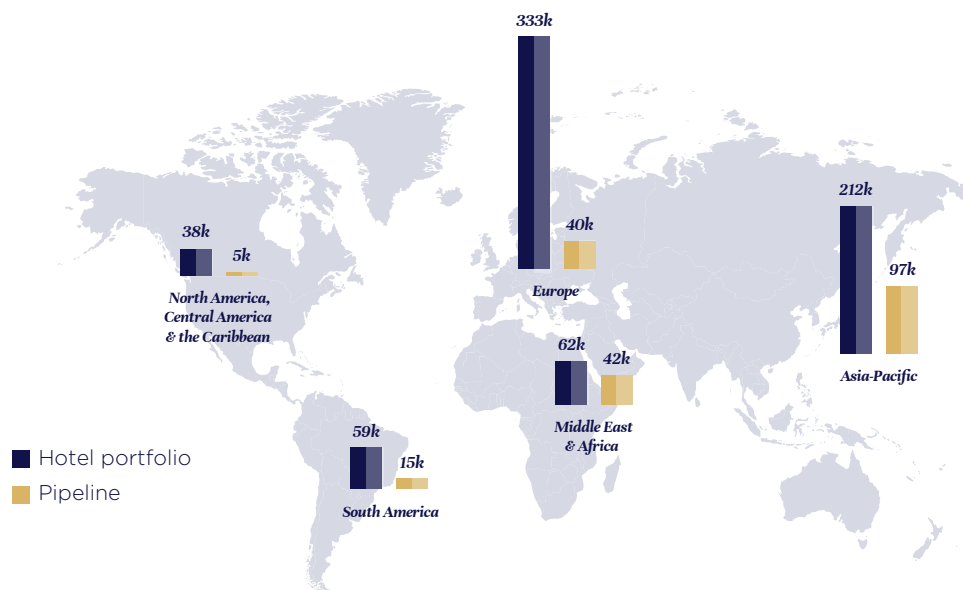
As a % based on number of rooms



- Luxury & Premium
- Midscale
- Economy

Hotel portfolio and pipeline by region at December 31, 2018

In thousands of rooms



Accor currently ranks as the leading hotel operator in Europe and Asia-Pacific (excluding China), where it has the broadest footprint and is well placed to capitalize on projections of strong growth in tourism. The Group's portfolio is well balanced geographically. It is also resilient. The world's 20 most visited cities account for less than 25% of the Group's network, and the five most visited countries are spread over four continents.

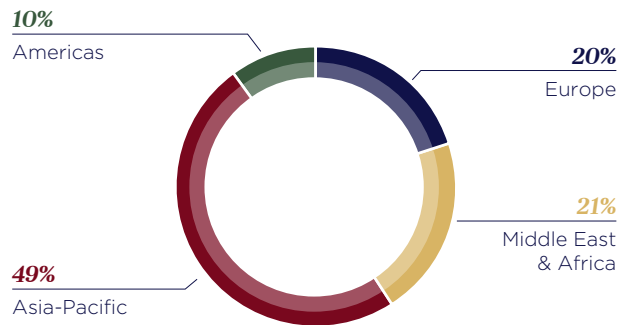
With its homogeneous global presence, Accor can therefore tap growth in international tourist flows by strengthening its positions, both in places where it is already a leader and elsewhere. These flows still represent only 30% of the global tourism market, and so are expected to grow strongly in the coming years.

Hotel chain penetration is currently still low, amounting to 30% in Europe and Asia-Pacific, 35% in the Middle East & Africa and 20% in South America. This means that growth potential in these markets is correlatively very high, given rising Chinese tourist numbers worldwide. Accor is the leader in eight of the top 20 destinations for Chinese travelers. With these positions, the Group's aim is to double the number of Chinese members in its loyalty program by 2020, and to triple the number of bookings from Chinese travelers outside China.

At the end of 2018, Accor operated 4,780 hotels (703,806 rooms) around the world. It is working to open 1,118 additional hotels (198,000 rooms) in the coming five years.

Pipeline by region at December 31, 2018

As a % based on number of rooms



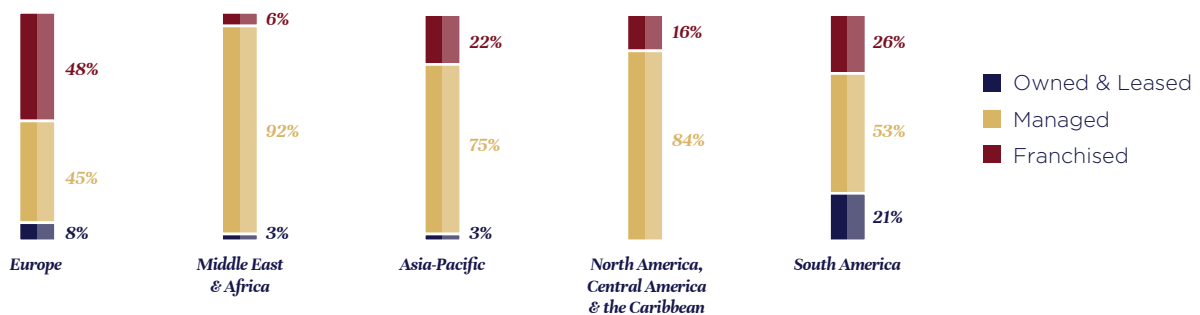
A firm footprint in emerging markets

The Accor network has undergone a significant transformation over the past four years as a result of property restructuring between 2014 and 2018, and the expansion of the brand portfolio. At the same time, Accor has focused its development exclusively on hotel management and franchising, which are now the only two management styles used by the Group.

At December 31, 2018, 97% of the Group's hotels in Asia-Pacific were operated under management contracts and franchise agreements. The North America, Central America & the Caribbean, Middle East & Africa and South America regions had 100%, 97% and 79% of hotels under management contracts and franchise agreements, respectively. Europe, which had the lowest proportion of hotels under management and franchise agreements before the change of the Group's model (68% and 51% of hotels, respectively), had 93% of hotels under management and franchise agreements in 2018. It is in this geography that the majority of assets were transferred to AccorInvest.

Hotel portfolio by region and operating structure at December 31, 2018

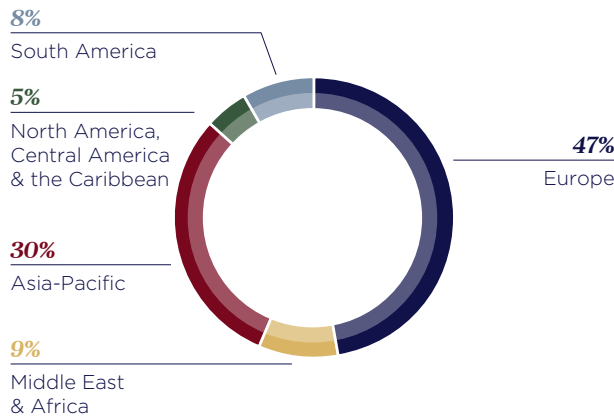
As a % based on number of rooms



Accor's growth and diversification have consolidated its operations in fast-growing areas, increasing their weighting by 4 points year on year (47% of the network) and in turn accelerating growth in the Group's fee income.

Hotel portfolio by region at December 31, 2018

As a % based on number of rooms

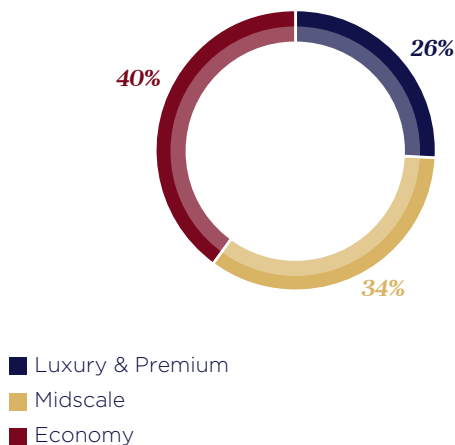


A broader footprint in the luxury and premium segments

The Group's development has been focused on the most profitable segments to increase the weighting of high-value markets in its brand portfolio. Between 2015 and 2018, the weight of the luxury and premium segments within the Accor network increased by 128%, versus growth of 38% in the network as a whole.

Hotel portfolio by segment at December 31, 2018

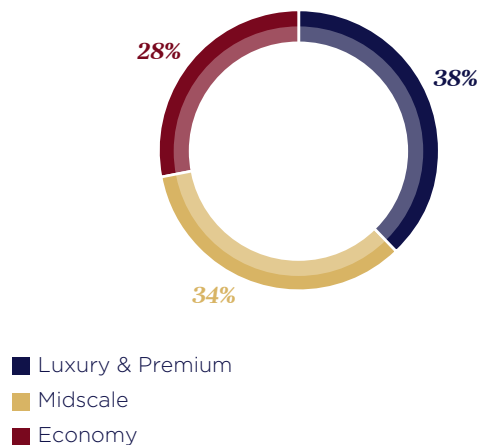
As a % based on number of rooms



At December 31, 2018, the luxury and premium segments accounted for 26% of the Accor network, a gain of 3 points on end-2017, driven by acquisitions of hotel chains and partnerships.

Acquisitions of brands in this segment are strategic because they significantly improve the Group's image, its portfolio of offers and the range of its skills, and are more profitable (RevPAR of €5,000 per year for FRS). Accor accordingly derived 38% of its fees from the luxury and premium segments in 2018, 34% from the midscale segment and 28% from the economy segment, illustrating the preponderance of luxury hotels in the Group's revenues.

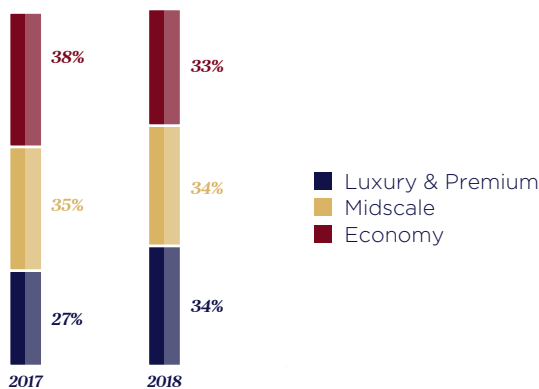
Fees by segment in 2018



The luxury and premium segments are the largest contributor to Accor's revenue. The pipeline points to a continuation of the trend in the coming years, with these segments set to gain 7 points to represent 34% of the total, with the midscale segment stable at 34% and the economy segment poised for a 5-point decline to 33%. This will keep the Group's margins at a high level in the coming years.

Pipeline by segment at December 31, 2018

As a % based on number of rooms



The range of 33 hotel brands offered by Accor at December 31, 2018 covers all segments to meet all the desires and needs of travelers. The strong international development of its various banners, particularly in fast-growing regions, allows the Group to take full advantage of a very dynamic global hotel market.

At the same time, Accor has continued to invest in its digital capacity to keep ahead of the behavior and consumption patterns of its guests, further personalize their experiences, optimize loyalty, CRM and payment solutions, and make its IT systems more agile.

Investments to consolidate the Group’s digital capacity

Faced with technological advances that are modernizing hotel codes, and the swift change in guests’ habits, Accor has spent the last two years developing its ecosystem of offers and services in a comprehensive approach to digital challenges.

Everything is done to surprise guests by offering increasingly personalized assistance, fresh new offers and bespoke experiences.

A strategy focused on the expectations of guests and partners

Now that its model is asset light, Accor intends to position itself among travelers and hotel owners as a comprehensive, attractive and innovative ecosystem of offers that can meet all of their expectations. Doing everything possible to encourage this preference in recent years, Accor has invested heavily in:

- ◇ increasing its digital capacity to deal efficiently and in a customized way with a growing volume of data and demands from travelers. At the same time, the Group has attracted 50 million members to its loyalty program – a number that is set to grow – built around 33 brands and 70 partnerships;
- ◇ implementing ongoing, high-quality support for hotel partners, multiple distribution channels optimizing use of their hotels, and the best solutions for maximizing their revenue, performance and profits.

Holding the promise of fluidity, digital technology heightens the Group’s relational and organizational efficiency. With that in mind, Accor invests constantly in its information systems, particularly in solutions that allow it to increase its capacity to process growing volumes of data, accelerate the speed of its booking systems, and make them easier to use.

Accor has also redesigned the digital pathway of its guests from the beginning to the end of their stay by streamlining their relations with hotels, by facilitating their access to the services offered through a new ecosystem, and by forging a personalized relationship based on a better understanding of their aspirations.

The “Impact” program to meet the challenges of digital transformation

Increased competition from digital players and new consumption patterns of travelers in one of the most digital sectors poses many technological challenges. A prolific vector of innovation, digital technology pervades all of the Group’s activities, from its range of services to its IT and booking infrastructure and communication methods, which have moved closer to travelers and improved the quality of the support they offer thanks to better personalization and greater loyalty. Supporting relationships in hotels, digitization also enhances the comfort of hotel rooms by improving the technologies available to travelers, facilitating their stays and amplifying their experiences.

Stronger distribution capacities

Accor has begun a process designed to profoundly improve its information systems and digital infrastructure and thereby strengthen its distribution and loyalty-building capacity.

To keep as close an eye as possible on emerging innovations and allow its guests to benefit from them, Accor also works with technology partners leading their respective fields, above all to more accurately target its guests and align its offers with their aspirations.

Improved guest experience by optimizing marketing campaign targeting with Tinyclues

For the past two years, Accor has been customizing its offerings by applying the power of deep learning to its marketing databases in order to accurately identify future buyers of its offers and to control the marketing pressure exerted on them by adapting to their needs and tolerance levels.

The Group uses artificial intelligence to maximize the overall performance of its marketing campaigns, which must be personalized and efficient. Its messages, whether they concern destinations, lifestyle themes or niche products such as luxury hotels, have gained commercial efficiency, and guests have better experiences with brands thanks to carefully dosed marketing pressure. The tool has boosted campaign revenues, and the rate of unsubscription to communications has declined.

Launch of MoodMatch, the first search engine for holiday experiences with no preselected destination with Travelsify

Accor plans to launch the MoodMatch website in April 2019. It will offer travelers a new way to find hotels based on their experience and desires.

Through this new emotion-based way of finding destinations, MoodMatch caters to new trends in hotel booking by offering travelers holiday ideas and relevant information about destinations. The DNA of nearly 1,000 of the Group's hotels has been documented based on guest reviews and expert comments posted on the web describing the atmosphere, decor and surroundings – not to mention those little extras. This will allow the engine to display a selection of hotels with a percentage of affinity calculated according to the desires expressed by the guest and the hotel DNA.

Diversification of the Group's distribution channels

Accor has also diversified its distribution channels to reach a wider audience. As mentioned earlier, the Group has acquired the Gekko, VeryChic, ResDiary and Adoria distribution platforms, and forged strategic partnerships with Ctrip and Google.

Acquisition of Gekko, VeryChic, ResDiary and Adoria to diversify the Group's distribution channels and attract new customers

These online platforms have enabled Accor to increase its hotels' distribution capacity through their networks, and to tap into hard-to-reach premium business and leisure customers.

Partnership with Ctrip to increase the visibility of the Group's hotels among Chinese international travelers

Accor has signed a memorandum of understanding with Ctrip in China to capitalize on the strong international growth in the number of Chinese travelers in search

of personalized experiences and a wide choice of establishments. Ctrip.com is one of the main players in the Chinese travel market, particularly for booking hotel rooms, transportation, tour packages and corporate travel. The partnership gives Accor a flagship store on the platform, increasing its visibility among Ctrip's 300 million active monthly users; by 2020, it plans to launch a certification program based on Chinese standards, guaranteeing a good welcome for these guests in 250 establishments. A billion Chinese people use WeChat Pay to pay for their purchases, and 520 million use Alipay. The Group is currently looking into the future use of these payment methods within its network.

Partnership with Google to make the Group's offers available in Google Assistant

Accor has also enriched its palette of digital services by developing applications that allow its network to be accessible from Google Assistant via Phil, its bot.

Phil is intelligent, and has been developed to accompany travelers before, during and after their stay in the Group's hotels, interacting with them in a personalized way. Able to respond to requests for practical information about the 4,780 hotels in the network, Phil learns to know guests through his chats with them, allowing him to suggest hotels or restaurants corresponding to their aspirations, and to anticipate their needs. Voice searches on the Group's booking site are pertinent, with a high comprehension rate of 83%.

Increased loyalty-building capacity through guest recognition, personalization and rewards

Digital technology increases the means available to Accor to personalize its relationships with guests, as well as its offers. Personalization is built directly on its ability to gain a better understanding of its individual guests, and to recognize them for optimal service and attention.

A better understanding of guests and enhanced personalization with the introduction of the Accor Customer Digital Card

In 2017, Accor started rolling out the Accor Customer Digital Card database, which enables all Accor hotels to share their knowledge of guests built up during their stays (consumption habits, special expectations in terms of reception, service, etc.). Surveys show that 83%⁽¹⁾ of guests are willing to share their personal information to improve their experience, and 50% of new guests had already stayed at another of the Group's hotels. Combined with an extensive network, the knowledge of guests accumulated during their stays is a powerful driver of personalization over time, helping predict their expectations and increase their satisfaction.

(1) Source: revinate.com.

Diversification of loyalty circuits to reinforce the attractiveness of the Group's loyalty program

Enrichment of Accor's loyalty program with the integration of Fairmont, Raffles and Swissôtel loyalty program benefits

Another way to strengthen the Group's capacity to build loyalty and secure its revenue is to increase the number of cardholders and capitalize on the strengths of other programs. For instance, the integration of the Fairmont, Raffles and Swissôtel loyalty programs into the Accor program increased the opportunities to earn points and extended the range of privileges, rewards and exceptional experiences offered to members, making it one of the most diverse in the industry. With this integration and the acquisitions completed in 2018, Accor recorded a 30% increase in the number of cardholders worldwide, with notable growth in North America, Central America and the Caribbean (+129%), Africa (+35%) and Asia (+27%). The loyalty program totaled more than 50 million members at the end of 2018, with most living in Europe (45%) and Asia-Pacific (31%).

Improved visibility among Chinese travelers thanks to the strategic partnership between Accor and Huazhu

In addition to Accor's development in China through Huazhu since 2014, the strategic alliance between the two groups strengthens the Accor distribution system and loyalty program among Huazhu's Chinese customers, who have become members of its program. This alliance has given Accor increased visibility among 122 million Chinese members, who benefit from earn, burn and other Group rewards worldwide, giving a boost to the hotels in the Accor network.

Enhanced appeal among cross-Channel travelers with the partnership between the Accor and Eurostar loyalty programs

Accor has also increased the attractiveness of its loyalty program for cross-Channel travelers by partnering with Eurostar. The joint system provides members of each group with exclusive access to a wider range of benefits, and the flexibility to exchange points between the two programs. The partnership enhances the appeal of the Accor loyalty program for its members by giving them new rewards, while attracting travelers who do not know Accor or its products, and giving them the chance to discover them.

More services with the integration of Luggage Free into the Accor loyalty programs

Accor has also extended the range of services offered to its members by joining forces with Luggage Free, a leading provider of travel shipping services, which can take charge of their luggage during their journey.

The Group's loyalty program, a key tool for recognizing and rewarding members, giving rise to long-term preference

Like other players in hospitality, Accor is seeking to increase its hold on travelers in order to keep them in an ecosystem rich in offers over time. Meeting increasingly numerous and specific demands, the Group's ecosystem is gradually expanding to enrich Accor's relationships with its guests, and to maximize their experiences around diversified service lines with the aim of building their support and long-term preference.

Promoting guest satisfaction is key because it serves to instill preference at a time when viral information and comments from guests on the Internet can have a big impact on the image of the Group, or its hotels. Accor's loyalty program positions it as a travel companion offering its loyal guests the broadest range of services and benefits possible, to enrich their experiences. Geared toward satisfying, recognizing and rewarding its guests, the Group's program reinforces the trust established with each of them by making them want to be a lasting part of its augmented hospitality ecosystem, and to consume through it.

Stronger ability to attract guests thanks to Accor's new global digital loyalty platform, ALL – Accor Live Limitless

For some years now, loyalty club members have wanted more from their programs: more simplicity, more immediacy, more variety and more tailor-made offers.

To strengthen its distribution, build its guests' loyalty and give its brands an indelible impact throughout the world, Accor unveiled a new customer promise in February 2019. Embodied by the "ALL – Accor Live Limitless" program, it will combine the Group's distribution platform with a new experiential loyalty program starting in October 2019.

As the new global digital loyalty platform, ALL will accompany its members in their diverse daily needs and wants (live, work, play) by providing a wide range of hospitality services accessible from a single portal (all.accor.com) designed to grow frequency of use and increase points of contact. Program members will be able to access a comprehensive range of services and experiences that represent much more than just a night's stay, combined with advantages negotiated in partnerships with other players, including AEG, IMG, and the Paris Saint Germain football club. These partnerships, applauded by the Group's guests, formed with some of the biggest names and guaranteeing high exposure, are designed to increase the international visibility of Accor's loyalty program and brands, and to augment the efficiency

of its distribution networks. Seeking to excite guests, these alliances will be a source of value for the brands, whose reputation and attractiveness will be increased, particularly among hotel owners, thereby helping further boost the Group's fees, performance and profits.

As loyalty points are exchanged for rewards within this ecosystem, Accor will gain knowledge of its members' preferred points of contact and their purchasing behavior, and will be able to develop more targeted offers and messages. Totalling €225 million, these initiatives will generate expenses of €55 million in 2019 and €45 million in 2020, with breakeven expected in 2021. The Group sees them adding €60 million to EBITDA by 2022, on top of the EBITDA of €1.2 billion expected that year, and €75 million per year in the following years, thanks to:

- ◇ an increase of at least 10 points in the contribution of loyal members;
- ◇ a €100 million rise in revenue (vs. the €6 million delivered in 2018) thanks to greater use of the loyalty program stemming from attractive partnerships;
- ◇ an improvement of at least 3 points in RevPAR driven by greater brand awareness and new customers gained through partnerships.

ALL – Accor Live Limitless, a guest loyalty tool securing the Group's revenue

Loyalty is central to Accor's strategy of capturing market share, because it has a direct impact on the contribution of its members to the Group's overall sales and its revenue growth. Members spend more than non-members because they can earn loyalty points. This is a key factor in stimulating and boosting their spending. Providing excellent data, members are more active and generate more revenue for the Group. Fully 85% of the Group's direct sales are made to loyalty program members, whose spending tends to increase as their status in the program rises, stimulated by the benefits granted. Between 2015 and 2018, Platinum members' expenses increased by 22%, while those of Gold and Silver members increased by 14% and 7%, respectively, representing a one- to three-fold growth gap.

Increasing the proportion of members within the loyalty program is therefore a strategic challenge for the Group, as it helps secure a significant part of its revenue in an intensely competitive environment that would otherwise push members toward other players. Having secured 30% of its 2018 revenue through its program members, the Group must show boldness in the face of competitors who are highly active in the area.

Consolidated financial statements and notes

Consolidated income statement

<i>(in millions of euros)</i>	2017*	2018
REVENUE	2,774	3,610
Operating expenses	(2,151)	(2,897)
EBITDA	622	712
Depreciation, amortization and provision expenses	(126)	(162)
EBIT	497	550
Share of net profit of associates and joint-ventures	28	80
EBIT INCLUDING PROFIT OF ASSOCIATES AND JOINT-VENTURES	525	630
Other income and expenses	(99)	(401)
OPERATING PROFIT	425	229
Financial result	(53)	(67)
Income tax	43	(119)
PROFIT FROM CONTINUING OPERATIONS	416	44
Profit from discontinued operations	71	2,241
NET PROFIT OF THE YEAR	486	2,284
› Group	446	2,233
› Minority interests	40	51

<i>(in millions of euros)</i>	2017*	2018
Diluted earnings per share	1.42	7.60
Dividend per share	1.05	1.05*

* Restated amounts in application of IFRS 15 (see note 15).

Statements of financial position

Assets

<i>(in millions of euros)</i>	Jan. 1. 2017*	Dec. 2017*	Dec. 2018
GOODWILL	1,496	1,500	2,399
OTHER INTANGIBLE ASSETS	2,323	2,156	2,653
TANGIBLE ASSETS	562	662	1,192
NON-CURRENT FINANCIAL ASSETS	844	830	2,516
Deferred tax assets	257	140	199
Contract assets	100	174	176
Other non-current assets	9	12	4
Non-current assets	5,591	5,474	9,139
Current assets	1,828	1,782	3,764
Assets classified as held for sale	4,457	4,824	14
ASSETS	11,877	12,080	12,917

* Restated amounts in application of IFRS 15 (see note 15).

Liabilities and shareholders' equity

<i>(in millions of euros)</i>	Jan. 1. 2017*	Dec. 2017*	Dec. 2018
Shareholders' equity – Group share	5,611	5,442	6,328
Shareholders' equity	5,878	5,783	6,436
Non-current liabilities	2,929	3,309	3,435
Current liabilities	1,893	1,456	3,039
Liabilities associated with assets classified as held for sale	1,177	1,532	6
EQUITY AND LIABILITIES	11,877	12,080	12,917

* Restated amounts in application of IFRS 15 (see note 15).

Parent company financial review

Revenue from all of the Company's operations amounted to €992.3 million in 2018, compared with €915.1 million the year before. This 8.4% or €77.2 million increase reflected the increase in fees billed to unrelated companies in the amount of €150.4 million, offsetting the €24.1 million decline in income from property rentals.

Revenue includes hotel royalties, rental and business-lease revenue and service fees.

In 2018, **provision reversals, expense transfers and other income** amounted to €66.6 million compared to €64.7 million in 2017. This €1.9 million increase primarily reflects increases of €7.5 million in the value of capitalized expenses and €2.8 million in other recurring management income, offsetting the decline in reversals of depreciation, amortization and provision expense, and expense transfers in the amount of €8.4 million.

Operating expenses stood at €1,177.6 million in 2018 compared to €1,043.9 million in 2017. The increase reflects a €32.5 million increase in other purchases and external expenses, mainly due to a €51.2 million increase in special project fees, and a €19.5 million decline in prepaid property rights. Wages and salaries increased by €17.1 million, including €6.6 million in incentive bonuses and €7.9 million in other compensation. Operating expenses increased by €53.9 million, including €46.5 million in provisions for contingencies and charges and €8.1 million in debt provisions. Other operating expenses increased by €25.0 million, including 23.6 million in Soluxury fees.

2018 **EBIT** represented a loss of €118.7 million, compared with a loss of €64.0 million in 2017.

Net financial income came out at €69.6 million in 2018 compared to €1,935.9 million in 2017, down €1,866.3 million, mainly as a result of a decrease in dividends from subsidiaries.

In 2018, dividends income amounted to €525 million compared with €2,303.5 million the year before. The decline is related to the non-recurrence of the dividend payments resulting from the Booster restructuring transactions.

Total provision movements included in net financial expense, corresponding mainly to write-downs of investments in subsidiaries, represented a net expense of €322.4 million in 2018 against a net expense of €277.2 million in 2017. The most significant write-downs were for AHB shares for €171 million, John Paul for €91.3 million, Accor UK for €57 million and Chamms for €36 million, and the most significant reversals relate to the shares of CI Wagons Lits in the amount of €46.3 million.

Recurring loss before tax of €49.1 million was recorded in 2018, compared with income of €1,871.9 million in 2017.

Net non-recurring expense totaled €30.5 million, compared with net non-recurring income of €1,766.2 million in 2017. The decline results from the non-recurrence of the sale of financial assets as part of the Booster project.

Income tax included group relief of €21.3 million and income tax expense of €2.0 million, compared with group relief of €19.8 million and an income tax benefit of €40.1 million in 2017.

Accor SA ended the year with a **net loss** of €60.3 million, versus a net profit of €3,698.1 million in 2017.

Details of the other directorships and positions held by the Company's directors and officers, as well as their compensation, are provided in the Corporate Governance section of the Registration Document.

Parent company five-year financial summary

<i>(in millions of euros)</i>	2014	2015	2016	2017	2018
Capital at year-end					
Share capital	696	706	854	870	848
Number of shares in issue	231,836,399	235,352,425	284,767,670	290,122,153	282,607,800
Results of operations					
Net revenues	825	881	895	915	992
Profit before tax, depreciation, amortization and provisions	261	209	(879)	3,596	362
Income tax	(14)	(20)	(24)	(60)	(19)
Net profit (loss)	239	130	(9)	3,698	(60)
Dividends	220	235	299	305	297 ⁽¹⁾
Per-share data <i>(in euros)</i>					
Earnings (loss) per share after tax, before depreciation, amortization and provisions	1.18	0.97	(3.01)	12.60	1.35
Earnings (loss) per share	1.03	0.55	(0.03)	12.75	(0.21)
Dividend per share (before tax credit/allowance)	0.95	1.00	1.05	1.05	1.05 ⁽¹⁾
Employees					
Number of employees	1,033	1,145	1,275	1,285	1,343 ⁽²⁾
Total payroll and employee benefits	146	133	149	152	171

(1) Dividend recommended for 2018 at the Annual Shareholders' Meeting of April 30, 2019 based on 282,607,800 shares outstanding at December 31, 2018.

(2) Number of employees on the Accor SA payroll at December 31, 2018.

Agenda

Combined Ordinary and Extraordinary Shareholders' Meeting of April 30, 2019



Shareholders are invited to attend the Combined Ordinary and Extraordinary Shareholders' Meeting on **Tuesday, April 30, 2019 at 10:00 a.m.** at the **Novotel Paris Tour Eiffel – 61, quai de Grenelle – 75015 Paris – France**, to discuss and decide on the agenda below:

ORDINARY RESOLUTIONS

First resolution: Approval of the parent company financial statements and the reports thereon for the year ended December 31, 2018

Second resolution: Approval of the consolidated financial statements and the reports thereon for the year ended December 31, 2018

Third resolution: Appropriation of profit and dividend payment

Fourth resolution: Re-election of Mr. Nawaf Bin Jassim Bin Jabor Al-Thani as a director

Fifth resolution: Re-election of Mr. Aziz Aluthman Fakhroo as a director

Sixth resolution: Re-election of Mrs. Sophie Gasperment as a director

Seventh resolution: Re-election of Mrs. Qionger Jiang as a director

Eighth resolution: Re-election of Mr. Nicolas Sarkozy as a director

Ninth resolution: Re-election of Mrs. Isabelle Simon as a director

Tenth resolution: Re-election of Mr. Sarmad Zok as a director

Eleventh resolution: Appointment of a Statutory Auditor

Twelfth resolution: Renewal of the appointment of a Statutory Auditor

Thirteenth resolution: Appointment of an Alternate Auditor

Fourteenth resolution: Renewal of the appointment of an Alternate Auditor

Fifteenth resolution: Approval of a related-party agreement with Katara Hospitality

Sixteenth resolution: Approval of a related-party agreement with Kingdom Hotels (Europe) LLC

Seventeenth resolution: Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded to Sébastien Bazin for the year ended December 31, 2018 (*ex post* say on pay)

Eighteenth resolution: Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded to Sven Boinet for the year ended December 31, 2018 (*ex post* say on pay)

Nineteenth resolution: Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind to be awarded to the Chairman and Chief Executive Officer in respect of 2019 (*ex ante* say on pay)

Twentieth resolution: Authorization for the Board of Directors to trade in the Company's shares

EXTRAORDINARY RESOLUTIONS

Twenty-first resolution: Authorization for the Board of Directors to reduce the Company's capital by canceling shares

Twenty-second resolution: Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares with pre-emptive subscription rights for existing shareholders

Twenty-third resolution: Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares, through a public offer without pre-emptive subscription rights for existing shareholders

Twenty-fourth resolution: Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares, through an offer governed by Article L. 411-2 II of the French Monetary and Financial Code without pre-emptive subscription rights for existing shareholders

Twenty-fifth resolution: Authorization for the Board of Directors to increase the number of securities included in an issue with or without pre-emptive subscription rights

Twenty-sixth resolution: Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in payment for contributed assets

Twenty-seventh resolution: Authorization for the Board of Directors to increase the Company's capital by capitalizing reserves, retained earnings, additional paid-in capital or any other eligible amounts

Twenty-eighth resolution: Blanket ceiling on the authorizations to issue shares and/or securities carrying rights to shares

Twenty-ninth resolution: Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares to members of an Accor Group employee share ownership plan "PEG" without pre-emptive subscription rights for existing shareholders

Thirtieth resolution: Authorization for the Board of Directors to issue securities reserved for certain categories of employees under an employee share ownership transaction, without pre-emptive subscription rights for existing shareholders

Thirty-first resolution: Authorization for the Board of Directors to grant free shares to employees or executive officers of the Company

Thirty-second resolution: Restriction on the number of free shares that may be granted to executive officers of the Company

ORDINARY RESOLUTIONS

Thirty-third resolution: Authorization for the Board of Directors to issue free share warrants to shareholders in the event of a public offer for the shares of the Company

Thirty-fourth resolution: Powers to carry out formalities

Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on April 30, 2019



APPROVAL OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

The purpose of the **first resolution** is to approve the parent company financial statements of Accor for the year ended December 31, 2018 and the report thereon, as approved by the Board of Directors at its meeting of February 20, 2019, which show a net loss of €60,317,979.02.

The Shareholders' Meeting will also be asked to note the absence of non-deductible charges and expenses for the year ended December 31, 2018.

In the **second resolution**, shareholders are invited to approve the consolidated financial statements of the Accor Group for the year ended December 31, 2018, and the reports thereon, which show consolidated revenue of €3.61 billion and net profit, Group share of €2.23 billion.

The details of the financial statements can be found in the Company's 2018 Registration Document.

APPROPRIATION OF PROFIT AND DIVIDEND PAYMENT

The purpose of the **third resolution** is to appropriate the Company's result and set the amount of the dividend.

The Board of Directors recommends paying a dividend of €1.05 per share. If the Shareholders' Meeting approves this recommendation, the ex-dividend date will be set at May 10, 2019 and the dividend will be paid on May 14, 2019.

For individuals residing in France:

- (i) when the dividend is paid, the entity paying the dividend will deduct, subject to any applicable exceptions, the mandatory 12.8% withholding tax, constituting a non-definitive prepayment of their income tax liability, plus social security contributions of 17.2%;

- (ii) during the year of receipt (year of the definitive tax levy), the relevant individuals will be taxed on that amount either at a flat-rate single levy of 12.8% or, pursuant to a general election, using the progressive income tax rates after applying tax relief of 40%.

For individuals residing outside France, the entity paying the dividend will deduct a 12.8% withholding tax when the dividend is paid, subject to applicable double tax treaties.

RE-ELECTION OF DIRECTORS

The purpose of the **fourth to tenth resolutions** is to re-elect Mrs. Sophie Gasperment, Mrs. Qionger Jiang, Mrs. Isabelle Simon, Mr. Nawaf Bin Jassim Bin Jabor Al-Thani, Mr. Aziz Aluthman Fakhroo, Mr. Nicolas Sarkozy and Mr. Sarmad Zok as directors for the three-year term authorized in the Bylaws, expiring at the close of the Shareholders' Meeting called to approve the 2021 financial statements.

Details of the backgrounds of the members of the Board of Directors to be re-elected are set out below. Full information about the directors and a list of the other positions they hold, in addition to their membership of the Board of Directors, is available in section 3 "Board of Directors' Report on Corporate Governance" of the Company's 2018 Registration Document.

Nawaf Bin Jassim Bin Jabor Al-Thani, Chairman of Katara Hospitality, has been a director of the Company since March 21, 2017. A graduate of Qatar University, Sheikh Nawaf began his career at Qatar Airways before joining Katara Hospitality as Chairman of the Board of Directors. Alongside his role with Katara Hospitality, Sheikh Nawaf is also Chairman of Al Hosn Investment Company S.A.O.C, based in Oman, and Deputy Chairman of the Sheikh Jassim Bin Jabor Charitable Foundation, which implements and oversees humanitarian and development projects.

Aziz Aluthman Fakhroo, Under-Secretary of State at the Ministry of Finance in Qatar, has been a director of the Company since July 12, 2016. A graduate of Paris ESLSA Business School, he founded and managed IdealyS SARL, a 3D industrial simulation company before joining Qatar Investment Authority (QIA) in 2007. He was appointed Director of Mergers & Acquisitions at QIA, where he executed a large number of acquisitions between 2007 and 2013 representing a total of more than USD 25 billion. He was appointed Director of the Public Investment Management Department in Qatar's Ministry of Finance in January 2014 and then Director of the Public Budget Department in March 2015. In December 2016, Aziz Aluthman Fakhroo was appointed Under-Secretary of State at this same Ministry.

Sophie Gasperment, Group General Manager, Financial Communication and Strategic Prospective, L'Oréal, Sophie Gasperment is a graduate of ESSEC business school and Insead. She joined L'Oréal in 1986. After 14 years in operational and strategic marketing positions, she was appointed General Manager for L'Oréal in the UK. She remained UK-based for the following 14 years, notably as Chairman and Chief Executive Officer of The Body Shop International, the iconic English brand spanning 60 countries and ca. 20 000 people strong. In 2014, Sophie Gasperment became the L'Oréal Group General Manager leading Financial Communication and Strategic Prospective. Sophie Gasperment was appointed French Foreign Trade Advisor in 2005, elected to the UK executive board, and has contributed to the Business Advisory Council of Said Business School, Oxford University. Sophie Gasperment also serves as a Non-Executive Director on the board of Kingfisher plc, of the D'leteren group, and is the Lead Independent Director of Cimpress, a NASDAQ-listed technology company.

Qionger Jiang, Chief Executive Officer and Artistic Director of Shang Xia, has been a director of the Company since July 12, 2016. Qionger Jiang is a graduate of the design school at Tongji University (China) and has also studied interior design and furniture design at École nationale Supérieure des arts décoratifs de Paris. She founded a number of design companies before setting up the Chinese subsidiary of ArtCurial. In 2008, she teamed up with Hermès to set up Shang Xia, China's first luxury brand. In 2013 and 2016, respectively, she was awarded the titles of *Chevalier des Arts et Lettres* and *chevalier de l'ordre national du Mérite* by the French President.

Nicolas Sarkozy, Leader of the French political party Les Républicains from November 2014 to November 2016, has been a director of the Company since February 21, 2017. Nicolas Sarkozy was the President of the French Republic from 2007 to 2012. His previous positions include Mayor of Neuilly-sur-Seine (1983-2002), National Assembly Representative for Hauts-de-Seine (1988-2002), President of the General Council for Hauts-de-Seine (2004-2007), Minister for the Budget (1993-1995), Minister for Communications (1994-1995), Government spokesman (1993-1995), Minister of the Interior, Internal Security and Local Freedoms (2002-2004), Minister of State, Minister for the Economy, Finance and Industry (2004), Minister of State, Minister of the Interior and Town and Country Planning (2005-2007). He was also the elected leader of French political parties UMP (2004-2007) and Les Républicains (2014-2016). A trained lawyer, Nicolas Sarkozy is married and has four children. He is the author of several books, including *Libre, Témoignage*, *La France pour la Vie* and *Tout pour la France*.

Isabelle Simon, Group Secretary & General Counsel, member of the Executive Committee of the Thales Group, has been a director of the Company since July 12, 2016. Isabelle Simon is a graduate of Sciences Po Paris, HEC and Harvard Law School. She also holds a DEA postgraduate diploma in English and North American business law from Paris I Panthéon-Sorbonne and a DESS postgraduate diploma in international taxation from Université Jean-Monnet. She is a qualified lawyer, and has been admitted to the Paris Bar and the New York Bar. Isabelle Simon began her career in 1995 at law firm Cleary Gottlieb Steen & Hamilton, where she practiced as a lawyer in Paris and New York. In 2003, she joined the Investment Banking Division of Goldman Sachs as Executive Director. In 2009, she joined the Publicis Group as Senior Vice-President, heading the M&A and Legal departments and managing the Group's external development strategy and minority holdings. In 2011, Isabelle Simon became Senior Vice-President of Société des Bains de Mer de Monaco, where she headed the Real Estate, Marketing and Sales, Artistic, Communications and Legal departments and was responsible for internal and external development operations. In 2015, she was appointed Group Secretary & General Counsel, and a member of the Executive Committee, of the Thales Group. She is also Group Secretary & General Counsel and a Board member of the Thales Foundation.

Sarmad Zok, Chairman and CEO of Kingdom Hotel Investments (KHI) and Non-Executive Board Director of Kingdom Holding Company, has been a director of the Company since July 12, 2016. Sarmad Zok is also a non-executive director on the boards of Four Seasons Hotels and Resorts, BlackRock Frontiers Investment Trust plc and Kingdom Holding Company. In 2006, Mr. Zok led KHI on its Initial Public Offering on the Dubai International Financial Exchange (the predecessor to NASDAQ Dubai) and the London Stock Exchange. Since a successful take-private he has headed KHI's accomplished hotel investment management team in Dubai in managing an integrated luxury

hospitality investment portfolio across the US, Europe and growth/developing markets in the Middle East, Africa and Asia. In 2016, he successfully led the KHI team on the sale and merger of Fairmont Raffles with Accor. In his early career, Mr. Zok worked at HVS International and Hilton International. He holds a Bachelor of Science in Hotel Management from the University of Surrey and a Master of Arts in Property Valuation and Law from City University Business School in London.

At the close of the Shareholders' Meeting and subject to the approval of the **fourth to tenth resolutions**, 44% of the Board members will be female directors and 55% of the Board members will be independent directors.

APPOINTMENT AND RENEWAL OF THE APPOINTMENT OF THE STATUTORY AUDITORS AND ALTERNATE AUDITORS

The purpose of the **eleventh and twelfth resolutions** is to appoint PricewaterhouseCoopers Audit as a new Statutory Auditor and to renew the appointment of Ernst & Young et Associés as a Statutory Auditor, for the six-year statutory term, expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2024 financial statements.

Ernst & Young et Associés has been the Company's Statutory Auditor since June 16, 1995. Information on the amount of fees paid to it for services provided to the Accor Group in 2018 is set out in the 2018 Registration Document.

PricewaterhouseCoopers Audit would be represented by Olivier Lotz and Ernst & Young et Associés by Jean-Christophe Goudard. Under the rotation rule applicable to private individual signatories, they may be replaced during the term of their appointment.

The purpose of the **thirteenth and fourteenth resolutions** is to approve, for the same term as the Statutory Auditors:

- ◆ the appointment of Patrice Morot as the Alternate Auditor for PricewaterhouseCoopers Audit;
- ◆ the renewal of Auditex's appointment as the Alternate Auditor for Ernst & Young et Associés.

RELATED-PARTY AGREEMENTS AND COMMITMENTS

The purpose of the **fifteenth and sixteenth resolutions** is to approve the related-party commitments referred to in Article L. 225-38 of the French Commercial Code, for which a special report has been produced by the Statutory Auditors.

In the **fifteenth resolution**, shareholders are invited to approve a related-party agreement with Katara Hospitality (managed by Nawaf Bin Jassim Bin Jabor Al-Thani). Under this agreement, Accor and Katara Hospitality agreed to set up an investment fund dedicated to hotel development in Africa, called Kasada Capital Management. The fund will have \$500 million in equity, of which Katara Hospitality and the Company will contribute \$350 million and \$150 million, respectively, over the next

five to seven years. These resources will be allocated to the construction of new hotels in greenfield areas or in urban regeneration projects, or the acquisition of existing properties, all operated under Group brands.

In the **sixteenth resolution**, shareholders are invited to approve the signing of the documentation relating to the acquisition of Mövenpick Hotels & Resorts Management AG. The closing of the acquisition of the hotel group (in which Kingdom Hotels (Europe) LLC held a 33.3% equity interest) was announced on September 4, 2018. This strategic transaction, representing an amount of €482 million (for 100% of the capital), has strengthened the Accor Group's presence in the Middle East and in Africa, where Mövenpick has a strong reputation.

APPROVAL OF THE COMPONENTS OF THE TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID OR AWARDED TO EACH EXECUTIVE OFFICER OF THE COMPANY FOR THE YEAR ENDED DECEMBER 31, 2018 (EX POST SAY ON PAY)

Pursuant to Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, the shareholders are asked, in the **seventeenth and eighteenth resolutions**, to approve the fixed, variable and exceptional components of total compensation and benefits of any kind paid or awarded for the year ended December 31, 2018 to Sébastien Bazin, Chairman and Chief Executive Officer, and Sven Boinet, Deputy Chief Executive Officer until

December 2, 2018, as presented in the appendix to this report (Appendix 1).

The payment of the items of variable and exceptional compensation due to Sébastien Bazin and Sven Boinet for the year ended December 31, 2018 is subject to the approval of the seventeenth and eighteenth resolutions, respectively.

APPROVAL OF THE PRINCIPLES AND CRITERIA FOR DETERMINING, ALLOCATING AND AWARDED THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL COMPENSATION AND BENEFITS OF ANY KIND TO BE AWARDED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN RESPECT OF 2019 (EX ANTE SAY ON PAY)

Pursuant to Article L. 225-37-2 of the French Commercial Code, in the **nineteenth resolution**, shareholders are invited to approve the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind to be awarded to the Chairman and Chief Executive Officer for 2019. These principles

and criteria are presented in section 3.5 of the 2018 Registration Document on compensation policy.

Pursuant to Article L. 225-37-2 of the French Commercial Code, if this resolution were not approved, the compensation policy approved at the Shareholders' Meeting of April 20, 2018 would continue to apply.

AUTHORIZATION TO BUY BACK AND CANCEL SHARES

In the **twentieth resolution**, shareholders are invited to renew, for a period of 18 months, the authorization for the Board of Directors to trade in Accor's shares on the Company's behalf, subject to compliance with the applicable laws and in accordance with the General Regulation of the French securities regulator, the AMF.

The authorization could not be used while a public offer for the Company's shares was in progress.

Pursuant to this authorization, the Company would not be able to buy back Accor shares representing more than 10% of the share capital (approximately €28 million at the date of this Shareholders' Meeting) and the maximum per-share purchase price would be set at €70. The maximum total investment in the buyback program would therefore be €1.96 billion.

The purpose of the **twenty-first** resolution is to renew the authorization for the Board of Directors to cancel all or some of the shares bought back pursuant to the twenty-first resolution and to reduce the capital accordingly. The number of shares canceled in any given 24-month period would not exceed 10% of the total shares outstanding. This authorization is being sought for a period of 24 months as from the date of this Shareholders' Meeting.

On May 30, 2018, the Board of Directors confirmed its decision to implement the share buyback program authorized by the Annual Shareholders' Meeting of April 20, 2018. A review of the program for the period ended December 31, 2018 can be found in section 6.2.2 of the 2018 Registration Document.

AUTHORIZATIONS TO CARRY OUT CORPORATE ACTIONS

In the **twenty-second to twenty-seventh resolutions**, shareholders are invited to renew the authorizations given to the Board of Directors to increase the Company's capital.

Under these authorizations, the Board would have full powers to decide to carry out rights issues or financial market transactions, giving it the necessary flexibility to swiftly raise the financial resources required to implement the Group's growth strategy.

If these resolutions are adopted, the Board will be authorized to issue shares and/or securities carrying immediate or deferred rights to shares in France or abroad, with or without pre-emptive subscription rights for existing shareholders, based on the opportunities offered by the financial markets and in the best interests of the Company and its shareholders.

The authorized capital increases would be subject to ceilings that would vary depending on whether or not shareholders were granted pre-emptive subscription rights (the applicable ceilings are set out in the table below).

In any event, under the **twenty-eighth resolution**, the aggregate par value of shares issued pursuant to the authorizations granted in the twenty-second to twenty-seventh resolutions would be capped at 50%

of the share capital (on an indicative basis approximately €424 million at December 31, 2018). A sub-ceiling of 10% of the share capital (on an indicative basis approximately €85 million at December 31, 2018) would apply for issues without pre-emptive subscription rights for existing shareholders (twenty-third to twenty-sixth resolutions).

These ceilings would not apply to issues of debt securities with rights to other debt securities or to existing equity securities, which may be carried out by the Board of Directors without consulting the shareholders pursuant to Article L. 228-92 of the French Commercial Code.

The authorization could not be used while a public offer for the Company's shares was in progress.

If this authorization were to be used, the Board of Directors and the Statutory Auditors would issue reports to shareholders providing detailed information about the issue amounts and terms.

These authorizations are being sought for a period of 26 months as from the date of this Shareholders' Meeting.

Details of how the Board of Directors has utilized previous authorizations are set out in section 3.11 "Authorizations relating to capital increases" of the Company's 2017 and 2018 Registration Documents.

Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on April 30, 2019

Summary table of financial authorizations sought by the Board of Directors

Purpose of authorization	Resolution	Issue price of shares	Maximum aggregate nominal value authorized	Blanket ceilings 28 th resolution	
Authorization to issue shares and/or securities with rights to shares with pre-emptive subscription rights	22 nd		50% of the share capital (approx. €424 million ⁽¹⁾)		
Authorizations to issue shares and/or securities with rights to shares without pre-emptive subscription rights					
› <u>Through a public offer</u>	23 rd	At least equal to the weighted average of the prices for the three trading days preceding the pricing date, less a possible discount of no more than 5%	10% of the share capital (approx. €85 million ⁽¹⁾)		
› <u>Through an offer governed by Article L. 411-2 II of the French Monetary and Financial Code</u>	24 th			10% of the share capital (approx. €85 million ⁽¹⁾)	50% of the share capital (approx. €424 million ⁽¹⁾)
Greenshoe option	25 th	Same as for the initial issue	15% of the amount of the initial issue		
Authorization to issue shares and/or securities with rights to shares in payment for contributed assets	26 th		10% of the share capital (approx. €85 million ⁽¹⁾)		
Authorization to increase the capital by capitalizing reserves, retained earnings, additional paid-in capital or any other eligible amounts	27 th		50% of the share capital (approx. €424 million ⁽¹⁾)		

(1) At December 31, 2018.

EMPLOYEE SHARE OWNERSHIP PLAN AND FREE SHARE GRANTS TO EMPLOYEES

The purpose of the **twenty-ninth resolution** is to authorize the Board of Directors to issue shares and/or securities carrying rights to shares without pre-emptive subscription rights to the members of an Accor Group employee share ownership plan "PEG". The total number of shares and securities carrying rights to shares issued under this authorization would not exceed the equivalent of 2% of the Company's capital.

As was the case for the previous plan issued in 2017 (Share 17) across nine countries, and in order to reward the high level of commitment shown by the Group's employees as part of its new business model, the Board wishes to launch a new leveraged employee share ownership plan, called Share 19, in a larger number of the Group's host countries.

The aim of the authorization is to allow the Group to launch an ambitious and motivating leveraged employee share ownership plan.

Under a leveraged share ownership plan, the investment by employees in new or existing shares of the Company is guaranteed for the duration of the plan and they also benefit from the increase in the share price, with up to 9x leverage.

The authorization is being sought for a period of 26 months as from the date of this Shareholders' Meeting.

The purpose of the **thirtieth resolution** is to authorize the Board of Directors to issue shares and/or securities carrying rights to shares, without pre-emptive subscription rights, solely in cases where an employee share ownership offer has been implemented using the authorization granted in the twenty-ninth resolution. In some countries, due to legal, tax or practical problems or uncertainties, employee share ownership offers can only be implemented using alternatives to those offered to the employees of the French companies of the Accor Group who are members of an employee share ownership plan.

This resolution would allow employees who are unable to join an Accor Group employee share ownership plan under local legislation to benefit from the Share 19 plan.

The price of the new securities would be determined by the Board of Directors, based on the average share price quoted over the 20 trading days immediately preceding the Board's decision setting the opening date of the subscription period for the capital increase performed pursuant to the twenty-ninth resolution, less any discount decided.

This authorization is valid for 18 months as from the Shareholders' Meeting.

AUTHORIZATION TO GRANT FREE SHARES TO EMPLOYEES OR EXECUTIVE OFFICERS OF THE COMPANY

In the **thirty-first resolution**, shareholders are invited to renew the authorization given to the Board of Directors to issue, on one or more occasions, shares (existing or new) to all employees, certain categories of Accor Group employees or executive officers of the Company. The total number of performance share rights that could be granted and the total number of new or existing shares that could be acquired would not represent more than 2.5% of the Company's capital.

The number of shares that could be granted to the Company's executive officers would not represent more than 15% of the total number of performance shares granted (**thirty-second resolution**) and the shares would only vest if performance targets were met, based on all or some of the following criteria:

- ◇ operating performance;
- ◇ business development;
- ◇ share performance;
- ◇ CSR performance;
- ◇ Company's cash flow.

The granting of share rights to Accor Group employees may also be subject to them meeting performance targets, as was the case in previous years.

In addition, the performance shares are subject to a lock-up period and the recipients are required to retain a certain proportion of the shares (or shares purchased on the market) for as long as they serve as executive officers of the Company.

The detailed exercise and vesting conditions applicable to the performance share plans would be set by the Board of Directors.

This authorization is being sought for a period of 38 months from the date of this Shareholders' Meeting.

AUTHORIZATION FOR THE BOARD OF DIRECTORS TO ISSUE FREE SHARE WARRANTS TO SHAREHOLDERS IN THE EVENT OF A PUBLIC OFFER FOR THE SHARES OF THE COMPANY

Lastly, in the **thirty-third resolution**, the Board of Directors is seeking an authorization to issue free share warrants to shareholders in the event of a public offer for the shares of the Company. The warrants would be exercisable for shares representing up to 25% of the Company's capital.

This authorization would be used if the Company considered that the price of the public offer was too low, to either drive up the price or cause the offer to be withdrawn if the offeror did not wish to increase the price.

Its use during a public tender offer would be decided by the Board of Directors on the recommendation of a special committee of the Board chaired by the Vice-Chairman and Senior Independent Director and comprising three independent directors, made after consulting a financial advisor.

Free warrants issued under the authorization would be canceled in the event of the failure of the offer or any competing offer.

POWERS TO CARRY OUT FORMALITIES

The purpose of the **thirty-fourth resolution** is to authorize the bearer of an original, extract or copy of the minutes of this Shareholders' Meeting to carry out any and all filing and other formalities required by law.

Appendix 1

PRESENTATION OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID OR AWARDED TO EXECUTIVE OFFICERS OF THE COMPANY FOR THE YEAR ENDED DECEMBER 31, 2018

Pursuant to Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to executive officers for the year ended December 31, 2018, as presented below, will be submitted to the Annual Shareholders' Meeting of April 30, 2019 for approval.

The payment of the items of variable and exceptional compensation due to Sébastien Bazin and Sven Boinet for the year ended December 31, 2018 is subject to the approval of the seventeenth and eighteenth resolutions, respectively.

All of the figures and information shown in these tables are also provided in section 3.5 of the 2018 Registration Document, which is available on the Group's website (group.accor.com) or on request from the Company.

3.7.1 Sébastien Bazin

Compensation paid or awarded for 2018	Amounts (or accounting value) submitted to the vote	Description
Annual fixed compensation	€950,000	<p>Sébastien Bazin's annual fixed compensation for 2018 was decided by the Board of Directors at its meeting on December 14, 2017, based on the recommendation put forward by the Appointments & Compensation Committee.</p> <p>It complies with the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, as presented in section 3.5.1 of the 2017 Registration Document.</p> <p>It was paid in monthly installments during 2018.</p>
Annual variable compensation	€1,405,549	<p>According to the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, Sébastien Bazin's variable compensation for 2018 could represent between 0% and 150% of an annual reference amount of €1,250,000, representing the equivalent of between 0% and 197% of his annual fixed compensation, depending on the achievement rate for the performance objectives set by the Board of Directors on December 14, 2017 and presented below.</p> <p>Quantitative objectives:</p> <ul style="list-style-type: none"> › consolidated EBITDA in line with the 2018 budget (25% weighting); › free cash flow (excluding disposals and acquisitions), after change in operating working capital, in line with the 2018 budget (25% weighting); › Accor's Total Shareholder Return (TSR) <i>versus</i> the TSR of eight other international hotel groups (Marriott, Hilton, Choice, Hyatt, Whitbread, Intercontinental Hotels, NH Hoteles and Melia) (10% weighting); › Accor's TSR <i>versus</i> the TSR of other CAC 40 companies (10% weighting); › a combination of three criteria: guest experience, level of employee engagement, and sustainable development and CSR performance (10% weighting). <p>Qualitative objectives:</p> <ul style="list-style-type: none"> › strategic vision and identification of strategic options (10% weighting); › implementation of the post-Booster organization and change in Group businesses (10% weighting). <p>Each quantitative objective, depending on the achievement rate, triggered the payment of between 0% and 160% of the share of variable compensation it represented, and each qualitative objective between 0% and 120%.</p> <p>Following an assessment of the degree to which Sébastien Bazin's objectives had been achieved, at its meeting on February 20, 2019 the Board set his variable compensation for 2018 at €1,405,549, breaking down as:</p> <ul style="list-style-type: none"> › €1,105,549 for the quantitative objectives, which were 110.6% met overall (0% for Accor's TSR <i>versus</i> the TSR of eight other international hotel groups, 80% for Accor's TSR <i>versus</i> the TSR of other CAC 40 companies and non-disclosable for the other objectives relating to the budget or to the internal ambition, in view of their confidential nature). It is nevertheless specified that the objectives relating to the budget (EBITDA and free cash flow, excluding disposals and acquisitions, and after changes in operating working capital), were exceeded. With respect to the objectives relating to the internal ambition (combination of criteria): <ul style="list-style-type: none"> (i) the objective relating to the guest experience was partially met, (ii) the objectives relating to employee engagement and to sustainable development and CSR performance were met in full; › €300,000 for the qualitative objectives, which were 120% met overall (120% for strategic vision and identification of strategic options, and 120% in respect of the successful implementation of the post-Booster organization and change in Group businesses). <p>Consequently, Mr. Bazin's total variable compensation for 2018 represented 112.4% of the annual reference amount (and 148% of his fixed compensation for the year).</p> <p>Payment of this variable compensation for 2018 is subject to shareholder approval at the Annual Shareholders' Meeting on April 30, 2019 (17th resolution).</p>

Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on April 30, 2019

Compensation paid or awarded for 2018	Amounts (or accounting value) submitted to the vote	Description
Exceptional compensation	Number of shares = 13,480 (€475,000)	In view of his key role in successfully spinning off and opening up the capital of AccorInvest (Booster project), and in accordance with the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting, the Board of Directors has decided on June 26, 2018 to award to Mr. Sébastien Bazin an exceptional bonus equivalent to 50% of his annual fixed compensation at December 31, 2017, to be paid in the form of a performance share grant in 2019, subject to approval at the Annual Shareholders' Meeting of April 30, 2019.
Performance shares	Number of shares = 35,050 (€1,235,022)	<p>On February 20, 2018, the Board of Directors decided to use the authorization given in the tenth resolution of the Annual Shareholders' Meeting of April 22, 2016 to grant performance shares to executive officers of the Company and Group employees.</p> <p>In accordance with the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, 35,050 performance shares were granted to Sébastien Bazin, representing 130% of his gross annual fixed compensation (and 0.0124% of the Company's share capital at December 31, 2018). The performance conditions attached to the shares are as follows:</p> <ul style="list-style-type: none"> › actual <i>versus</i> budgeted EBIT margin (60% weighting); › actual <i>versus</i> budgeted free cash flow (excluding disposals and acquisitions), after change in working capital (20% weighting); › Accor's TSR <i>versus</i> the TSR of eight other international hotel groups (10% weighting) and <i>versus</i> the TSR of other CAC 40 companies (10% weighting). <p>The performance conditions under the plan will be measured at the end of the three-year measurement period. The number of shares that vest, provided that Sébastien Bazin has not left the Group, will be based on the achievement rates for the performance conditions set out above, as validated by the Board of Directors. The achievement rates will be calculated based on the vesting criteria stipulated by the Board of Directors when the plan was set up.</p> <p>As regards the external performance condition, <i>i.e.</i>, Accor's TSR <i>versus</i> the TSR of eight other international hotel groups (10% weighting), and <i>versus</i> the TSR of other CAC 40 companies (10% weighting), the corresponding shares will vest if Accor achieves the median ranking. The objectives for the two other (internal) performance conditions are confidential as they concern the budget, which is not publicly disclosed. At the end of the measurement period, an objective under one performance condition that has not been met may be offset by outperformance in relation to the objective for another performance condition. However, the number of shares that vest at the end of the vesting period will not exceed 100% of the number of shares originally granted.</p> <p>Sébastien Bazin must also continue to be an executive officer of the Company in order for the shares to vest. Under the terms of the plan, for all of the performance shares initially granted to vest, and subject to fulfillment of the performance conditions, the grantee must continue to be either an executive officer of the Company or an employee of the Accor Group throughout the period from the grant date to June 26, 2021 (the vesting date), except in the case of death or disability or retirement. In the event of termination of the executive officer's term of office or the employee's employment contract before the vesting date, his or her rights to all of the performance shares initially granted will be forfeited, regardless of the achievement rate for the performance conditions, unless the Board of Directors decides otherwise.</p>
Directors' fees	N/A	Sébastien Bazin does not receive any directors' fees.
Benefits in kind	€57,231	In accordance with the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, Sébastien Bazin has the use of a company car and is a member of a private unemployment insurance plan. He was also entitled to up to 50 hours' advice from tax and financial advisors in 2018.

Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on April 30, 2019

Compensation paid or awarded for 2018	Amounts (or accounting value) submitted to the vote	Description
Termination benefits	N/A	<p>At its meeting on December 16, 2013, the Board of Directors approved the principle of paying compensation for loss of office to Sébastien Bazin and on February 19, 2014, the Board reviewed the performance conditions attached to such compensation. The commitment to pay compensation for loss of office was approved at the Annual Shareholders' Meeting of April 29, 2014 and renewed at the Annual Shareholders' Meeting of April 20, 2018.</p> <p>In accordance with the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, Mr. Bazin is entitled to compensation for loss of office equal to twice the sum of the fixed and variable compensation payable to him for the fiscal year preceding his loss of office. This compensation would be payable if Mr. Bazin's term of office as Chairman and Chief Executive Officer was either terminated or not renewed (except in the event of gross or willful misconduct) or if he was not re-elected as a director.</p> <p>Payment of the compensation for loss of office would be subject to the following performance criteria being met:</p> <ul style="list-style-type: none"> › consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years; › operating free cash flow must have been positive in at least two of the previous three years; › like-for-like EBITDAR margin must have exceeded 27.5% in at least two of the previous three years. <p>These performance criteria would be applied as follows:</p> <ul style="list-style-type: none"> › if all three criteria were met, the compensation would be payable in full; › if two of the three criteria were met, half of the compensation would be payable; › if none or only one of the three criteria were met, no compensation would be due. <p>Moreover, no compensation would be due if Mr. Bazin were to resign from his position or to decide not to stand for re-election, or if he were to move to another position within the Group or if he would be able to claim his full-rate pension benefit within a short period of time.</p> <p>Sébastien Bazin did not receive any compensation for loss of office in 2018.</p>
Non-compete indemnity	N/A	Sébastien Bazin is not entitled to any non-compete indemnity.

Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on April 30, 2019

Compensation paid or awarded for 2018	Amounts (or accounting value) submitted to the vote	Description
Supplementary pension benefits	€0	<p>At its meeting on December 16, 2013, the Board of Directors authorized Sébastien Bazin's inclusion in the top-hat supplementary pension plan whose members comprise several dozen Group senior executives. This commitment was approved at the Annual Shareholders' Meeting of April 29, 2014 and renewed at the Annual Shareholders' Meeting of April 20, 2018.</p> <p>Details of the supplementary pension plan are provided in the description of the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018.</p> <p>Sébastien Bazin participates in an "Article 83" defined contribution plan and an "Article 39" defined benefit plan:</p> <ul style="list-style-type: none"> › Article 83 plan: Sébastien Bazin, as an executive director of the Company with over one year of service and a gross annual salary of more than four times the annual ceiling used for calculating French social security contributions (the "PASS"), qualifies to participate in the Company's defined contribution pension plan. He will be entitled to a pension annuity (with the possibility of survivor benefits) determined based on the contributions paid by the Company for each year of his membership of the plan. The annual contribution paid by the Company corresponds to 5% of his annual gross compensation paid in the previous year, capped at five times the PASS. In accordance with the French Social Security Code, if Sébastien Bazin leaves the Group before the date of retirement, he will retain the rights accrued under the plan. Contributions paid under the plan on behalf of Sébastien Bazin amounted to €9,933 in 2018. › Article 39 plan: Sébastien Bazin, as an executive director of the Company with a gross annual salary of more than five times the PASS, and having complied with these criteria for more than six months during the previous year, qualifies to participate in the Company's defined benefit pension plan. He will be entitled to a pension annuity (with the possibility of survivor benefits), provided he remains with the Group until he retires and has participated in the plan for at least five years (or has served with the Group for at least 15 years). If he does not meet these requirements, he will not be entitled to any payments under the plan. The pension annuity payable under the defined benefit plan will be reduced by the amount of the annuity payable under the above-described defined contribution plan. <p>His benefit entitlement is built up gradually and is calculated each year for which he is a plan member based on his annual reference compensation. Each year of plan membership represents between 1% and 3% of the annual reference compensation, depending on the compensation brackets concerned, <i>i.e.</i>:</p> <ul style="list-style-type: none"> › portion of reference compensation representing between 4 and 8 times the PASS: 1%; › portion of reference compensation representing between 8 and 12 times the PASS: 2%; › portion of reference compensation representing between 12 and 24 times the PASS: 3%; › portion of reference compensation representing between 24 and 60 times the PASS: 2%. <p>The Board of Directors decided to make the payment of the annuity under the supplementary defined benefit plan subject to the following two performance conditions:</p> <ul style="list-style-type: none"> › consolidated EBITDA <i>versus</i> budget (50% weighting); › free cash flow (excluding disposals and acquisitions), after change in operating working capital <i>versus</i> budget (50% weighting). <p>Each year, the performance condition achievement rates are validated by the Board of Directors. Benefit entitlements vest in full if the performance conditions are at least 90% met (below 90%, the vested entitlement is calculated on a straight-line basis).</p> <p>The benefit entitlement for any given year of plan membership therefore corresponds to the aggregate of the amounts accrued for each of the above compensation brackets, provided that the related performance conditions are met. The amount of the final pension annuity equals the sum of the entitlements calculated for each year.</p> <p>Two caps are applied to the final amount of the pension annuity:</p> <ul style="list-style-type: none"> › the amount of the gross annuity may not exceed 30% of the member's last annual reference compensation; › given that Sébastien Bazin's last reference compensation was more than 12 times the PASS, the overall replacement rate represented by pension benefits payable under government-sponsored plans and Accor supplementary pension plans will be capped at 35% of the average of his best three years' reference compensation in the ten years prior to retirement.

Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on April 30, 2019

Sven Boinet

Compensation due or awarded for 2018	Amounts (or accounting value) submitted to the vote	Description
Annual fixed compensation	€584,110	<p>Sven Boinet's annual fixed compensation for 2018 was decided by the Board of Directors at its meeting on December 14, 2017, based on the recommendation put forward by the Appointments & Compensation Committee.</p> <p>It complies with the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, as presented in section 3.5.1 of the 2017 Registration Document.</p> <p>Sven Boinet's annual fixed compensation breaks down as follows: €200,000 in his position as executive officer and €400,000 under his employment contract covering his position as Group Director responsible for Internal Audit, Legal Affairs and Security & Safety.</p> <p>It was paid in monthly installments during 2018.</p> <p>Note that payment due for his position of executive officer ended on December 2, 2018 when he ceased to be Deputy Chief Executive Officer.</p>
Annual variable compensation	€621,060	<p>According to the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, Sven Boinet's variable compensation for 2018 could represent between 0% and 150% of his annual fixed compensation of €600,000 pro rata, depending on the achievement rate for the performance objectives set by the Board of Directors on December 14, 2017 and presented below.</p> <p>Quantitative objectives:</p> <ul style="list-style-type: none"> › consolidated EBITDA in line with the 2018 budget (25% weighting); › free cash flow (excluding disposals and acquisitions), after change in operating working capital, in line with the 2018 budget (25% weighting); › Accor's Total Shareholder Return (TSR) versus the TSR of eight other international hotel groups (Marriott, Hilton, Choice, Hyatt, Whitbread, Intercontinental Hotels, NH Hoteles and Melia) (10% weighting); › Accor's TSR versus the TSR of other CAC 40 companies (10% weighting); › a combination of three criteria: guest experience, level of employee engagement, and sustainable development and CSR performance (10% weighting). <p>Qualitative objectives:</p> <ul style="list-style-type: none"> › implementation of the post-Booster organization (10% weighting); › employee relations (10% weighting). <p>Each quantitative objective, depending on the achievement rate, triggered the payment of between 0% and 160% of the share of variable compensation it represented, and each qualitative objective between 0% and 120%.</p> <p>Following an assessment of the degree to which Sven Boinet's objectives had been achieved, at its meeting on February 20, 2019 the Board set his variable compensation for 2018 at €621,060, breaking down as:</p> <ul style="list-style-type: none"> › €488,501 for the quantitative objectives, which were 110.6% met overall (0% for Accor's TSR versus the TSR of eight other international hotel groups, 80% for Accor's TSR versus the TSR of other CAC 40 companies, and non-disclosable for the other objectives relating to the budget or to the internal ambition, in view of their confidential nature). It is nevertheless specified that the objectives relating to the budget (EBITDA and free cash flow, excluding disposals and acquisitions, and after changes in operating working capital), were exceeded. With respect to the objectives relating to the internal ambition (combination of criteria): <ul style="list-style-type: none"> (i) the objective relating to the guest experience was partially met, (ii) the objectives relating to employee engagement and to sustainable development and CSR performance were met in full; › €132,559 for the qualitative objectives, which were 120% met overall (120% for the successful implementation of the post-Booster organization and 120% for employee relations). <p>Consequently, this variable compensation represents 112.4% of Sven Boinet's fixed compensation for the year (prorated over the time that he effectively served in office in 2018).</p> <p>Payment of this variable compensation for 2018 is subject to shareholder approval at the Annual Shareholders' Meeting on April 30, 2019 (18th resolution).</p>

Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on April 30, 2019

Compensation due or awarded for 2018	Amounts (or accounting value) submitted to the vote	Description
Exceptional compensation	€150,000	In view of the successful spin-off and opening-up of the capital of AccorInvest (Booster project) and the exceptional contribution made to the completion of this operation, and in accordance with the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting, the Board of Directors has decided on June 26, 2018 to award Sven Boinet an exceptional bonus equivalent to 25% of his annual fixed remuneration at December 31, 2017, to be paid in cash, subject to approval at the Annual Shareholders' Meeting of April 30, 2019.
Performance shares	Number of shares = 17,880 (€630,020)	<p>On February 20, 2018, the Board of Directors decided to use the authorization given in the tenth resolution of the Annual Shareholders' Meeting of April 22, 2016 to grant performance shares to executive officers of the Company and Group employees.</p> <p>In accordance with the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, 17,880 performance shares were granted to Sven Boinet, representing 105% of his gross annual fixed compensation (and 0.0063% of the Company's share capital at December 31, 2018). The performance conditions attached to the shares are as follows:</p> <ul style="list-style-type: none"> › actual <i>versus</i> budgeted EBIT margin (60% weighting); › actual <i>versus</i> budgeted free cash flow (excluding disposals and acquisitions), after change in working capital (20% weighting); › Accor's TSR <i>versus</i> the TSR of eight other international hotel groups (10% weighting) and <i>versus</i> the TSR of other CAC 40 companies (10% weighting). <p>The performance conditions under the plan will be measured at the end of the three-year measurement period. The number of shares that vest, provided that Sven Boinet has not left the Group, will be based on the achievement rates for the performance conditions set out above, as validated by the Board of Directors. The achievement rates will be calculated based on the vesting criteria stipulated by the Board of Directors when the plan was set up.</p> <p>As regards the external performance condition, <i>i.e.</i>, Accor's TSR <i>versus</i> the TSR of eight other international hotel groups (10% weighting), and <i>versus</i> the TSR of other CAC 40 companies (10% weighting), the corresponding shares will vest if Accor achieves the median ranking. The objectives for the two other (internal) performance conditions are confidential as they concern the budget, which is not publicly disclosed. At the end of the measurement period, an objective under one performance condition that has not been met may be offset by outperformance in relation to the objective for another performance condition. However, the number of shares that vest at the end of the vesting period will not exceed 100% of the number of shares originally granted.</p> <p>Sven Boinet must also continue to be an executive officer of the Company in order for the shares to vest. Under the terms of the plan, for all of the performance shares initially granted to vest, and subject to fulfillment of the performance conditions, the grantee must continue to be either an executive officer of the Company or an employee of the Accor Group throughout the period from the grant date to June 26, 2021 (the vesting date), except in the case of death or disability or retirement. In the event of termination of the executive officer's term of office or the employee's employment contract before the vesting date, his or her rights to all of the performance shares initially granted will be forfeited, regardless of the achievement rate for the performance conditions, unless the Board of Directors decides otherwise.</p>
Benefits in kind	€17,676	In accordance with the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, Sven Boinet has the use of a company car. He was also entitled to up to 25 hours' advice from tax and financial advisors in 2018.

Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on April 30, 2019

Compensation due or awarded for 2018	Amounts (or accounting value) submitted to the vote	Description
Termination benefits	N/A	<p>At its meeting on February 19, 2014, the Board of Directors approved the principle of paying compensation for loss of office to Sven Boinet. The commitment to pay compensation for loss of office was approved by the Annual Shareholders' Meeting of April 29, 2014 (sixth resolution) and again at the Annual Shareholders' Meeting of May 5, 2017 (eleventh resolution).</p> <p>In accordance with the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, the compensation payable to Mr. Boinet in the event of loss of office would amount to €600,000, plus the amount of variable compensation due to him for the fiscal year preceding his loss of office, and less any termination benefit due under his employment contract. This compensation would be payable if Mr. Boinet's term of office as Deputy Chief Executive Officer were either terminated or not renewed (except in the event of gross or willful misconduct). In accordance with the AFEP/MEDEF Code, the compensation would not be due if, at the date of his departure, Mr. Boinet would be able to claim his full-rate pension benefit within a short period of time.</p> <p>Payment of the compensation for loss of office would be subject to the following performance criteria being met:</p> <ul style="list-style-type: none"> › consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years; › operating free cash flow must have been positive in at least two of the previous three years; › like-for-like EBITDAR margin must have exceeded 27.5% in at least two of the previous three years. <p>Sven Boinet did not receive any compensation for loss of office in 2018. Furthermore, because Sven Boinet's term of office ended on December 2, 2018, and he continues to hold a position in the Group, he is no longer entitled to this termination benefit.</p>
Non-compete indemnity	N/A	Sven Boinet is not entitled to any non-compete indemnity.

Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on April 30, 2019

Compensation due or awarded for 2018	Amounts (or accounting value) submitted to the vote	Description
Supplementary pension benefits	€0	<p>At its meeting on October 11, 2016, the Board of Directors authorized Sven Boinet's inclusion in the top-hat supplementary pension plan whose members comprise several dozen Group senior executives.</p> <p>The commitment was approved by the Annual Shareholders' Meeting of May 5, 2017 (eleventh resolution).</p> <p>Details of the supplementary pension plan are provided in the description of the 2018 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 20, 2018, as presented in section 3.5.1 of the 2017 Registration Document.</p> <p>Sven Boinet participates in an "Article 83" defined contribution plan and an "Article 39" defined benefit plan:</p> <ul style="list-style-type: none"> › Article 83 plan: Sven Boinet, as an executive director of the Company with over one year of service and a gross annual salary of more than four times the annual ceiling used for calculating French social security contributions (the "PASS"), qualifies to participate in the Company's defined contribution pension plan. He will be entitled to a pension annuity (with the possibility of survivor benefits) determined based on the contributions paid by the Company for each year of his membership of the plan. The annual contribution paid by the Company corresponds to 5% of his annual gross compensation paid in the previous year, capped at five times the PASS. In accordance with the French Social Security Code, if Sven Boinet leaves the Group before the date of retirement, he will retain the rights accrued under the plan. Contributions paid under the plan on behalf of Sven Boinet amounted to €9,933 in 2018. › Article 39 plan: Sven Boinet, as an executive director of the Company with a gross annual salary of more than five times the PASS, and having complied with these criteria for more than six months during the previous year, qualifies to participate in the Company's defined benefit pension plan. He will be entitled to a pension annuity (with the possibility of survivor benefits), provided he remains with the Group until he retires and has participated in the plan for at least five years (or has served with the Group for at least 15 years). If he does not meet these requirements, he will not be entitled to any payments under the plan. The pension annuity payable under the defined benefit plan will be reduced by the amount of the annuity payable under the above-described defined contribution plan. <p>His benefit entitlement is built up gradually and is calculated each year for which he is a plan member based on his annual reference compensation. Each year of plan membership represents between 1% and 3% of the annual reference compensation, depending on the compensation brackets concerned, <i>i.e.</i>:</p> <ul style="list-style-type: none"> › portion of reference compensation representing between 4 and 8 times the PASS: 1%; › portion of reference compensation representing between 8 and 12 times the PASS: 2%; › portion of reference compensation representing between 12 and 24 times the PASS: 3%; › portion of reference compensation representing between 24 and 60 times the PASS: 2%. <p>The Board of Directors, decided to make the payment of the annuity under the supplementary defined benefit plan subject to the following two performance conditions:</p> <ul style="list-style-type: none"> › consolidated EBITDA <i>versus</i> budget (50% weighting); › free cash flow (excluding disposals and acquisitions), after change in operating working capital <i>versus</i> budget (50% weighting). <p>Each year, the performance condition achievement rates are validated by the Board of Directors. Benefit entitlements vest in full if the performance conditions are at least 90% met (below 90%, the vested entitlement is calculated on a straight-line basis). The benefit entitlement for any given year of plan membership therefore corresponds to the aggregate of the amounts accrued for each of the above compensation brackets, provided that the related performance conditions are met. The amount of the final pension annuity equals the sum of the entitlements calculated for each year.</p> <p>Two caps are applied to the final amount of the pension annuity:</p> <ul style="list-style-type: none"> › the amount of the gross annuity may not exceed 30% of the member's last annual reference compensation; › given that Sven Boinet's last reference compensation was more than 12 times the PASS, the overall replacement rate represented by pension benefits payable under government-sponsored plans and Accor supplementary pension plans will be capped at 35% of the average of his best three years' reference compensation in the ten years prior to retirement.

Proposed resolutions

submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting of April 30, 2019



ORDINARY RESOLUTIONS

FIRST RESOLUTION

Approval of the parent company financial statements for the year ended December 31, 2018

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' report on the parent company financial statements:

- ◇ **approves** the report of the Board of Directors and the parent company financial statements for the year ended December 31, 2018, as presented to it, as well as all transactions reflected in these financial statements and summarized in these reports; and
- ◇ pursuant to the provisions of Article 223 *quater* of the French Tax Code, **notes** the absence of non-deductible charges and expenses for the year ended December 31, 2018, pursuant to Article 39 (4) of the said Code.

SECOND RESOLUTION

Approval of the consolidated financial statements for the year ended December 31, 2018

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' report on the consolidated financial statements, **approves** the consolidated financial statements for the year ended December 31, 2018, as presented to it, as well as all transactions reflected in these financial statements and summarized in these reports.

THIRD RESOLUTION

Appropriation of profit and dividend payment

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, on the recommendation of the Board of Directors:

1. **resolves** to appropriate the net loss for the year ended December 31, 2018 as follows:

◇ Net loss:	€60,317,979.02,
◇ Retained earnings:	€3,376,396,128.30,
◇ Distributable amount:	€3,316,078,149.28.

Payment of a dividend per share of €1.05, representing a total dividend of €296,738,190 (based on the 282,607,800 shares comprising the Company's share capital at December 31, 2018).

The balance, *i.e.*, the sum of €3,019,339,959.28, will be appropriated to retained earnings, which will have a new balance of €3,019,339,959.28;

2. **resolves** that, in the event of an upward or downward variation in the number of dividend-paying shares between the end of the financial year and the ex-dividend date, the aggregate amount of the dividend will be adjusted accordingly and that the amount appropriated to retained earnings will be adjusted on the basis of the dividend actually paid;
3. **authorizes** the Board of Directors, with the power to subdelegate, to withdraw or credit the retained earnings account in the amounts required under the conditions indicated above, when the dividend is paid;
4. **resolves** that the ex-dividend date will be set as May 10, 2019 and that the dividend will be paid on May 14, 2019.

In addition, it is specified that the Company will not receive a dividend in respect of the shares it owns in the course of apportioning the dividend, the sums corresponding to the dividend not paid on the treasury shares being allocated to the retained earnings account and the aggregate amount of the dividend being adjusted accordingly.

For individuals residing in France:

- (i) when the dividend is paid, the entity paying the dividend will deduct, subject to any applicable exceptions, the mandatory 12.8% withholding tax, constituting a non-definitive prepayment of their income tax liability, plus social security contributions of 17.2% (pursuant to Article 200 A of the French Tax Code). This levy will be set against their definitive tax liability;
- (ii) during the year of receipt (year of the definitive tax levy), the relevant individuals will be taxed on that amount as follows:

- ◇ either at a flat-rate single levy of 12.8% (pursuant to Article 117 *quater* of the French Tax Code), or
- ◇ pursuant to a general election, using the progressive income tax rates after applying tax relief of 40% (pursuant to Article 158-3-2° of the French Tax Code).

For individuals residing outside France, the entity paying the dividend will deduct a 12.8% withholding tax when the dividend is paid, subject to applicable double tax treaties (pursuant to Article 119 *bis* of the French Tax Code);

5. notes, pursuant to Article 243 *bis* of the French Tax Code, that the Company has paid the following dividends in respect of the last three fiscal years, fully eligible for the 40% tax relief:

Year	2015	2016	2017
Total dividend (<i>in euros</i>)	235,352,425	299,006,053.50	304,628,260.65
Dividend per share (<i>in euros</i>)	1.00	1.05	1.05

FOURTH RESOLUTION

Re-election of Mr. Nawaf Bin Jassim Bin Jabor Al-Thani as a director

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **re-elects** as a director Nawaf Bin Jassim Bin Jabor Al-Thani, whose term of office expires at the close of this Shareholders' Meeting, for a further three-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2021 financial statements.

FIFTH RESOLUTION

Re-election of Mr. Aziz Aluthman Fakhroo as a director

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **re-elects** as a director Aziz Aluthman Fakhroo, whose term of office expires at the close of this Shareholders' Meeting, for a further three-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2021 financial statements.

SIXTH RESOLUTION

Re-election of Mrs. Sophie Gasperment as a director

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **re-elects** as a director Sophie Gasperment, whose term of office expires at the close of this Shareholders' Meeting, for a further three-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2021 financial statements.

SEVENTH RESOLUTION

Re-election of Mrs. Qionger Jiang as a director

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **re-elects** as a director Qionger Jiang, whose term of office expires at the close of this Shareholders' Meeting, for a further three-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2021 financial statements.

EIGHTH RESOLUTION

Re-election of Mr. Nicolas Sarkozy as a director

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **re-elects** as a director Nicolas Sarkozy, whose term of office expires at the close of this Shareholders' Meeting, for a further three-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2021 financial statements.

NINTH RESOLUTION

Re-election of Mrs. Isabelle Simon as a director

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **re-elects** as a director Isabelle Simon, whose term of office expires at the close of this Shareholders' Meeting, for a further three-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2021 financial statements.

TENTH RESOLUTION

Re-election of Mr. Sarmad Zok as a director

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **re-elects** as a director Sarmad Zok, whose term of office expires at the close of this Shareholders' Meeting, for a further three-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2021 financial statements.

ELEVENTH RESOLUTION

Appointment of a Statutory Auditor

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **resolves** to appoint as a Statutory Auditor PricewaterhouseCoopers Audit, whose registered office is located at 63 Rue de Villiers, Neuilly-sur-Seine, 92200, France, registered in the Nanterre Trade and Companies Register under number 672 006 483 and represented by Olivier Lotz, for a six-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2024 financial statements.

TWELFTH RESOLUTION

Renewal of the appointment of a Statutory Auditor

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **renews** the appointment of Ernst & Young et Associés, whose current appointment expires at the close of this Shareholders' Meeting, as a Statutory Auditor for a further six-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2024 financial statements.

THIRTEENTH RESOLUTION

Appointment of an Alternate Auditor

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **resolves** to appoint Patrice Morot (63 Rue de Villiers, 92208 Neuilly-sur-Seine cedex, France) as an Alternate Auditor for a six-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2024 financial statements.

FOURTEENTH RESOLUTION

Renewal of the appointment of an Alternate Auditor

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **renews** the appointment of Auditex, whose current appointment expires at the close of this Shareholders' Meeting, as an Alternate Auditor for a further six-year term expiring at the close of the Shareholders' Meeting called to approve, in particular, the 2024 financial statements.

FIFTEENTH RESOLUTION

Approval of a related-party agreement with Katara Hospitality

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the Statutory Auditors' special report on the agreements and commitments referred to in Article L. 225-38 of the French Commercial Code, **approves** the partnership agreement entered into with Katara Hospitality relating to the creation of an investment fund dedicated to hotel development in Africa.

SIXTEENTH RESOLUTION

Approval of a related-party agreement with Kingdom Hotels (Europe) LLC

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the Statutory Auditors' special report on the agreements and commitments referred to in Article L. 225-38 of the French Commercial Code, **approves** the signing of the documentation relating to the acquisition of Mövenpick Hotels & Resorts Management AG, in which Kingdom Hotels (Europe) LLC held shares.

SEVENTEENTH RESOLUTION

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded to Sébastien Bazin for the year ended December 31, 2018 (ex post say on pay)

The Shareholders' Meeting, pursuant to Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, voting under the quorum and majority conditions of ordinary shareholders' meetings, **approves** the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded to Sébastien Bazin for the year ended December 31, 2018, as presented in the Company's corporate governance report, as well as in the appendix to the Board of Directors' report on the resolutions.

EIGHTEENTH RESOLUTION

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded to Sven Boinet for the year ended December 31, 2018 (ex post say on pay)

The Shareholders' Meeting, pursuant to Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, voting under the quorum and majority conditions of ordinary shareholders' meetings, **approves** the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded to Sven Boinet for the year ended December 31, 2018, as presented in the Company's corporate governance report, as well as in the appendix to the Board of Directors' report on the resolutions.

NINETEENTH RESOLUTION

Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind to be awarded to the Chairman and Chief Executive Officer in respect of 2019 (ex ante say on pay)

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors on the compensation policy for executive officers established pursuant to Article L. 225-37-2 of the French Commercial Code and published in the Company's 2018 Registration Document, **approves** the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind to be awarded to the Chairman and Chief Executive Officer of the Company in respect of 2019, as presented in this report.

TWENTIETH RESOLUTION

Authorization for the Board of Directors to trade in the Company's shares

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors:

- 1. authorizes** the Board of Directors, with the power to subdelegate, to trade in the Company's ordinary shares in compliance with Articles L. 225-209 *et seq.* of the French Commercial Code. Consequently, the Board may buy, sell or otherwise transfer the Company's ordinary shares, directly or through a representative, in compliance with the above provisions of the Code for the following purposes:
 - ◇ to purchase ordinary shares for cancellation, in connection with a capital reduction decided or authorized by shareholders pursuant to the twenty-first resolution submitted to this Shareholders' Meeting, or any other resolution with the same purpose that may be passed at another Shareholders' Meeting,
 - ◇ to purchase shares for allocation under employee share ownership plans, in particular free share grant plans made under Articles L. 225-197-1 *et seq.* of the French Commercial Code, employee savings (or similar) plans under Articles L. 3332-1 *et seq.* of the French Labor Code, and stock option plans under Articles L. 225-177 *et seq.* of the French Commercial Code,

- ◇ to purchase shares for allocation on the conversion, redemption, exchange or exercise of securities carrying rights to ordinary shares in the Company,
 - ◇ to make a market in the Company's shares under a liquidity contract that complies with the Code of Conduct recognized by the French securities regulator, the AMF,
 - ◇ to perform any market transaction or practice permitted, now or hereafter, under the laws or regulations in force or by the AMF, in which case the Company will issue a press release notifying shareholders of said use;
2. **sets** the maximum number of ordinary shares that may be bought back at 10% of the share capital and the maximum per-share purchase price at €70 (excluding purchase costs) and **authorizes** the Board of Directors, with the power to subdelegate, to adjust that maximum purchase price to take into account the effect of any corporate actions on the share value, including in the event of changes to the share par value, a capital increase by capitalizing reserves, a free share grant or a stock split or reverse stock split; these ceilings do not include the number or price of any ordinary shares sold during the period that this authorization is in effect, if the shares concerned were originally bought back for market-making purposes in accordance with the terms and conditions defined in the General Regulation of the AMF;
3. **resolves** that (i) trading in ordinary shares may be effected and settled by any method, on the basis and within the limits prescribed by the laws and regulations in force on the transaction date, in one or several installments, on the market or over-the-counter, including through the use of options, derivatives – particularly, the purchase or sale of puts or calls – or securities carrying rights to ordinary shares of the Company, and that (ii) the entire buyback program may be implemented through a block trade;
4. **resolves** that in the event of the filing by a third party of a public offer for the Company's shares, the Board of Directors shall not make use of this authorization for the duration of the offer period without express authorization from the Shareholders' Meeting and that it shall suspend the execution of any share buyback program already initiated, except to execute it in order to satisfy a delivery of securities or a strategic transaction undertaken and announced before the launch of the public offer;
5. **resolves** that the Board of Directors may decide to implement this authorization, specifying, if necessary, its terms and conditions, and more generally do all that is necessary to achieve the successful completion of the proposed trades; and
6. **resolves** that this authorization shall be valid for a period of 18 months as from the date of this Shareholders' Meeting and shall supersede, with immediate effect, any previous authorization granted for the same purpose.

EXTRAORDINARY RESOLUTIONS

TWENTY-FIRST RESOLUTION

Authorization for the Board of Directors to reduce the Company's capital by canceling shares

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' special report, and pursuant to Article L. 225-209 of the French Commercial Code:

1. **authorizes** the Board of Directors to reduce the Company's capital, on one or more occasions, by canceling all or some of the ordinary shares bought back by the Company, provided that the number of shares canceled in any 24-month period does not exceed 10% of the total number of shares outstanding at the close of this Shareholders' Meeting;
2. **gives** full powers to the Board of Directors – which may be delegated in accordance with the law – to:
 - ◇ carry out the capital reduction(s),
 - ◇ set the final amount and the terms and conditions of the share cancellation(s), and place the capital reduction(s) on record,
 - ◇ charge the difference between the carrying amount of the canceled shares and their par value to any reserve or additional paid-in capital accounts,
 - ◇ appropriate the portion of the legal reserve that has become available pursuant to the capital reduction,
 - ◇ place on record the capital reduction(s) resulting from the transactions authorized under this resolution,
 - ◇ amend the Bylaws to reflect the new share capital amount and, generally, do all that is necessary to achieve the successful completion of this transaction,
 - ◇ all in compliance with the laws and regulations in force when this authorization is used;
3. **resolves** that this authorization shall be valid for a period of 24 months as from the date of this Shareholders' Meeting and shall supersede, with immediate effect, any previous authorization granted for the same purpose.

TWENTY-SECOND RESOLUTION

Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares with pre-emptive subscription rights for existing shareholders

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' special report, and pursuant to Articles L. 225-129 to L. 225-129-6, L. 225-132 to L. 225-134, L. 228-91 to L. 228-93 and the other relevant provisions of the French Commercial Code:

1. **gives** the Board of Directors the necessary powers to issue, with pre-emptive subscription rights, on one or more occasions, ordinary shares and/or securities carrying immediate or deferred rights to ordinary shares of the Company – or of any entity in which the Company directly or indirectly holds over half of the capital – and/or securities carrying rights to debt securities. The Board of Directors shall have full discretionary powers to determine the amount and timing of said issues, which may be carried out in France or abroad. The securities may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies and may be paid up in cash or by capitalizing liquid and callable debt. This authorization does not affect the authority vested in the Board of Directors by Article L. 228-92 of the French Commercial Code to issue compound debt securities with rights to other debt securities or rights to existing equity instruments;
2. **decides** that the aggregate par value of shares issued under this authorization, either directly or on exercise of conversion, exchange, redemption or other rights attached to securities, shall not exceed 50% of the capital, not including the par value of any additional shares to be issued pursuant to the applicable laws, regulations or any contractual provisions to protect the rights of existing holders of securities carrying rights to shares;
3. **decides** that the aggregate nominal value of bonds or other debt securities carrying rights to new shares that are issued under this authorization shall not exceed €10 billion or the equivalent in foreign currencies or monetary units;
4. **decides** that shareholders shall have a pre-emptive right to subscribe for the shares and/or other securities issued under this authorization, as provided for by law, pro rata to their existing holdings. In addition, the Board of Directors may grant shareholders a pre-emptive right to subscribe for any shares and/or other securities not taken up by other shareholders. If the issue is oversubscribed, such additional pre-emptive rights shall also be exercisable pro rata to the existing interest in the Company's capital of the shareholders concerned.

If an issue is not taken up in full by shareholders exercising their pre-emptive rights as described above, the Board of Directors may take one or more of the following courses of action, in the order of its choice:

 - ◇ limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up,
 - ◇ freely allocate all or some of the unsubscribed securities among the investors of its choice,
 - ◇ offer all or some of the unsubscribed securities for subscription by the public;
5. **decides** that warrants to subscribe for the Company's shares may be offered for subscription on the above basis or allocated among holders of existing shares without consideration;
6. **decides** that the Board of Directors may not use this authorization while a public offer for the Company's shares is in progress, except with the prior authorization of the Shareholders' Meeting;
7. **notes** and **decides** that this authorization will automatically entail the waiver of shareholders' pre-emptive rights to subscribe for the shares to be issued on exercise of rights attached to other securities;
8. **decides** that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:
 - ◇ decide to carry out a capital increase and determine the type of securities to be issued,
 - ◇ decide on the amount of each issue, the issue price and any issue premium,
 - ◇ decide the timing and other terms of the issue(s), including the form and characteristics of the securities, the opening and closing dates of the subscription period, the securities' issue price and cum-rights date, the method by which they will be paid up, the terms applicable to the exercise of any rights to shares of the Company or of any entity in which the Company directly or indirectly holds over half of the capital, all other terms and conditions of issue and, in the case of debt securities, their ranking for repayment purposes,

- ◇ determine, where appropriate, the terms and conditions for (i) exercising the rights attached to the shares and/or other securities, notably by setting the date – which may be retroactive – from which new shares will carry rights; and (ii) exercising any conversion, exchange and redemption rights, as well as any other terms and conditions applicable to such share issues,
 - ◇ set the terms and conditions under which the Company may buy back or exchange the securities by any method, at any time or during specified periods, with a view to holding them or canceling them in accordance with the applicable laws and regulations,
 - ◇ allow for the exercise of the rights attached to the securities to be suspended, in accordance with the applicable laws and regulations,
 - ◇ at its sole discretion, charge any and all costs incurred in connection with the share issues against the related premiums, and deduct from these premiums the necessary amounts to be credited to the legal reserve,
 - ◇ determine and make any and all adjustments required to take into account the effect of the corporate actions and decide the method to be used, if necessary, to ensure that the rights of holders of securities with rights to shares are protected,
 - ◇ place on record the capital increase(s) resulting from the use of this authorization and amend the Bylaws to reflect the new capital,
 - ◇ generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, listing and service of the securities issued pursuant to this authorization and for the exercise of any related rights;
9. **decides** that this authorization shall be valid for a period of 26 months as from the date of this Shareholders' Meeting and shall supersede, with immediate effect, any previous authorization granted for the same purpose.

TWENTY-THIRD RESOLUTION

Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares, through a public offer without pre-emptive subscription rights for existing shareholders

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' special report, and pursuant to Articles L. 225-129 to L. 225-129-6, L. 225-134 to L. 225-136, L. 225-148, L. 228-91 to L. 228-93 and the other relevant provisions of the French Commercial Code:

1. **gives** the Board of Directors the necessary powers to issue, without pre-emptive subscription rights, on one or more occasions, ordinary shares and/or

securities carrying immediate or deferred rights to ordinary shares of the Company – or of any entity in which the Company directly or indirectly holds over half of the capital – and/or securities carrying rights to debt securities, through a public offer. The Board of Directors shall have full discretionary powers to determine the amount and timing of said issues, which may be carried out in France or abroad. The securities may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies and may be paid up in cash or by capitalizing liquid and callable debt. This authorization does not affect the authority vested in the Board of Directors by Article L. 228-92 of the French Commercial Code to issue compound debt securities with rights to other debt securities or rights to existing equity instruments;

2. **decides** that the aggregate par value of shares issued under this authorization, either directly or on exercise of conversion, exchange, redemption or other rights attached to securities, shall not exceed 10% of the capital, not including the par value of any additional shares to be issued pursuant to the applicable laws, regulations or any contractual provisions to protect the rights of existing holders of securities carrying rights to shares;
3. **decides** that shares may be issued on exercise of conversion, exchange, redemption or other rights attached to securities issued by any entity in which the Company directly or indirectly holds over half of the capital, subject to the authorization of the Shareholders' Meeting of the Company concerned;
4. **decides** that the aggregate nominal value of bonds or other debt securities carrying rights to new shares that are issued under this authorization may not exceed €1.96 billion or the equivalent in foreign currencies or monetary units;
5. **decides** that existing shareholders shall not have a pre-emptive right to subscribe for the shares or securities carrying rights to shares issued pursuant to this authorization. However, as provided for in Article L. 225-135, paragraph 5, of the French Commercial Code, the Board of Directors may choose to offer shareholders a priority right to subscribe for all or part of the issue, exercisable over a period of at least three trading days on the basis to be decided by the Board in compliance with the applicable laws and regulations. Any such priority rights will be non-transferable. They will be exercisable pro rata to the number of shares already held and the Board may also give shareholders the opportunity to subscribe on a priority basis for any shares or other securities not taken up by other shareholders. The unsubscribed shares or other securities will then be offered through a public placement in France, abroad or on the international market;

- 6. decides** that if an issue of shares or other securities is not taken up in full by shareholders and the public, the Board of Directors may take one or both of the following courses of action, in the order of its choice:
- ◇ limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up,
 - ◇ freely allocate all or some of the unsubscribed securities among the investors of its choice;
- 7. decides** that the Board of Directors may not use this authorization while a public offer for the Company's shares is in progress, except with the prior authorization of the Shareholders' Meeting;
- 8. notes** and decides that this authorization will automatically entail the waiver of shareholders' pre-emptive rights to subscribe for the shares to be issued under this authorization on exercise of rights attached to other securities;
- 9. notes** that:
- ◇ the issue price of the ordinary shares issued directly under this authorization shall be at least equal to the minimum price provided for in the regulations applicable on the issue date (currently corresponding to the weighted average of the prices quoted for the Company's shares on Euronext Paris over the three trading days preceding the pricing date less a possible discount of no more than 5%), as adjusted for any difference in cum-dividend dates,
 - ◇ the issue price of securities carrying rights to ordinary shares shall be set in such a way that the amount received by the Company at the time of issue plus the amount to be received on exercise of the rights attached to the issued securities is at least equal to the minimum issue price defined above for each new share,
 - ◇ the number of shares to be issued on exercise of conversion, exchange, redemption or other rights attached to securities issued under this authorization shall be determined in such a way as to ensure that the amount per share received by the Company – taking into account the nominal value of said securities – is at least equal to the minimum issue price set out above;
- 10. decides** that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:
- ◇ decide to carry out a capital increase and determine the type of securities to be issued,
 - ◇ decide on the amount of each issue, the issue price and any issue premium,
- ◇ decide the timing and other terms of the issue(s), including the form and characteristics of the securities, the opening and closing dates of the subscription period, the securities' issue price and cum-rights date, the method by which they will be paid up, the terms applicable to the exercise of any rights to shares of the Company or of any entity in which the Company directly or indirectly holds over half of the capital, all other terms and conditions of issue and, in the case of debt securities, their ranking for repayment purposes,
 - ◇ determine, where appropriate, the terms and conditions for (i) exercising the rights attached to the shares and/or other securities, notably by setting the date – which may be retroactive – from which new shares will carry rights; and (ii) exercising any conversion, exchange and redemption rights, as well as any other terms and conditions applicable to such issues,
 - ◇ set the terms and conditions under which the Company may buy back or exchange the securities by any method, at any time or during specified periods, with a view to holding them or canceling them in accordance with the applicable laws and regulations,
 - ◇ allow for the exercise of the rights attached to the securities to be suspended, in accordance with the applicable laws and regulations,
 - ◇ if the securities are issued in payment for another issuer's securities tendered to a public offer with an exchange component, (i) draw up the list of securities tendered to the offer; (ii) set the terms and conditions of the issue, the exchange ratio and, if applicable, the amount of the cash component; (iii) determine the issue terms and conditions in the case of a paper offer, a paper offer with a cash alternative or a cash offer with a paper alternative, a cash and paper offer, a paper offer with a secondary cash offer or a cash offer with a secondary paper offer or any other form of public offer that complies with the applicable laws and regulations,
 - ◇ at its sole discretion, charge any and all costs incurred in connection with said issues against the related premiums, and deduct from these premiums the necessary amounts to be credited to the legal reserve,
 - ◇ determine and make any and all adjustments required to take into account the effect of the corporate actions and decide the method to be used, if necessary, to ensure that the rights of holders of securities with rights to shares are protected,
 - ◇ place on record the capital increase(s) resulting from the use of this authorization and amend the Bylaws to reflect the new capital,

◇ generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, listing and service of the securities issued pursuant to this authorization and for the exercise of any related rights;

11. decides that this authorization shall be valid for a period of 26 months as from the date of this Shareholders' Meeting and shall supersede, with immediate effect, any previous authorization granted for the same purpose.

TWENTY-FOURTH RESOLUTION

Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares, through an offer governed by Article L. 411-2 II of the French Monetary and Financial Code without pre-emptive subscription rights for existing shareholders

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' special report, and pursuant to Articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, L. 228-91 to L. 228-93 and the other relevant provisions of the French Commercial Code:

1. gives the Board of Directors the necessary powers to issue on one or more occasions ordinary shares or securities with rights to shares to qualified investors or a limited group of investors as defined in Article L. 411-2 of the French Monetary and Financial Code without pre-emptive subscription rights for existing shareholders. This authorization may be used to issue ordinary shares and/or securities carrying immediate or deferred rights to ordinary shares of the Company – or of any entity in which the Company directly or indirectly holds over half of the capital – and/or securities carrying rights to debt securities. The Board of Directors shall have full discretionary powers to determine the amount and timing of said issues, which may be carried out in France or abroad. The securities may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies and may be paid up in cash or by capitalizing liquid and callable debt. This authorization does not affect the authority vested in the Board of Directors by Article L. 228-92 of the French Commercial Code to issue compound debt securities with rights to other debt securities or rights to existing equity instruments;

2. decides that the aggregate par value of shares issued under this authorization, either directly or on exercise of conversion, exchange, redemption or other rights attached to securities, shall not exceed 10% of the

capital, not including the par value of any additional shares to be issued pursuant to the applicable laws, regulations or any contractual provisions to protect the rights of existing holders of securities carrying rights to shares;

3. decides that shares may be issued on exercise of conversion, exchange, redemption or other rights attached to securities issued by any entity in which the Company directly or indirectly holds over half of the capital, subject to the authorization of the Shareholders' Meeting of the Company concerned;

4. decides that the aggregate nominal value of bonds or other debt securities carrying rights to new shares that are issued under this authorization may not exceed €1.96 billion or the equivalent in foreign currencies or monetary units;

5. decides that existing shareholders shall not have a pre-emptive right to subscribe for the securities issued under this authorization;

6. decides that if an issue is not taken up in full by qualified investors, the Board of Directors may take one or both of the following courses of action, in the order of its choice:

◇ limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up,

◇ freely allocate all or some of the unsubscribed securities among the investors of its choice;

7. decides that the Board of Directors may not use this authorization while a public offer for the Company's shares is in progress, except with the prior authorization of the Shareholders' Meeting;

8. notes and decides that this authorization will automatically entail the waiver of shareholders' pre-emptive rights to subscribe for the shares to be issued on exercise of rights attached to other securities;

9. decides that:

◇ the issue price of the ordinary shares issued directly under this authorization shall be at least equal to the minimum price provided for in the regulations applicable on the issue date (currently corresponding to the weighted average of the prices quoted for the Company's shares on Euronext Paris over the three trading days preceding the pricing date less a possible discount of no more than 5%), as adjusted for any difference in cum-dividend dates,

◇ the issue price of securities carrying rights to ordinary shares shall be set in such a way that the amount received by the Company at the time of issue plus the amount to be received on exercise of the rights attached to the issued securities is at least equal to the minimum issue price defined above for each new share,

- ◇ the number of shares to be issued on exercise of conversion, exchange, redemption or other rights attached to securities issued under this authorization shall be determined in such a way as to ensure that the amount per share received by the Company – taking into account the nominal value of said securities – is at least equal to the minimum issue price set out above;

10. decides that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:

- ◇ decide to carry out a capital increase and determine the type of securities to be issued,
- ◇ draw up the list of investors to whom the securities will be offered,
- ◇ decide on the amount of each issue, the issue price and any issue premium,
- ◇ decide the timing and other terms of the issue(s), including the form and characteristics of the securities, the opening and closing dates of the subscription period, the securities' issue price and cum-rights date, the method by which they will be paid up, the terms applicable to the exercise of any rights to shares of the Company or of any entity in which the Company directly or indirectly holds over half of the capital, all other terms and conditions of issue and, in the case of debt securities, their ranking for repayment purposes,
- ◇ determine, where appropriate, the terms and conditions for (i) exercising the rights attached to the shares and/or other securities, notably by setting the date – which may be retroactive – from which new shares will carry rights; and (ii) exercising any conversion, exchange and redemption rights, as well as any other terms and conditions applicable to such issues,
- ◇ set the terms and conditions under which the Company may buy back or exchange the securities by any method, at any time or during specified periods, with a view to holding them or canceling them in accordance with the applicable laws and regulations,
- ◇ allow for the exercise of the rights attached to the securities to be suspended, in accordance with the applicable laws and regulations,
- ◇ at its sole discretion, charge any and all costs incurred in connection with said issues against the related premiums, and deduct from these premiums the necessary amounts to be credited to the legal reserve,
- ◇ determine and make any and all adjustments required to take into account the effect of the corporate actions and decide the method to be

used, if necessary, to ensure that the rights of holders of securities with rights to shares are protected,

- ◇ place on record the capital increase(s) resulting from the use of this authorization and amend the Bylaws to reflect the new capital,
- ◇ generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, listing and service of the securities issued pursuant to this authorization and for the exercise of any related rights;

11. decides that this authorization shall be valid for a period of 26 months as from the date of this Shareholders' Meeting and shall supersede, with immediate effect, any previous authorization granted for the same purpose.

TWENTY-FIFTH RESOLUTION

Authorization for the Board of Directors to increase the number of securities included in an issue with or without pre-emptive subscription rights

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' special report, and pursuant to Article L. 225-135-1 and R. 225-118 of the French Commercial Code:

- 1. grants** the Board of Directors full powers – which may be delegated in accordance with the law – to increase the number of securities included in an issue of shares and/or securities carrying rights to shares, with or without pre-emptive subscription rights, notably in order to grant a greenshoe option in accordance with standard market practices. Said additional securities will be issued at the same price as for the original issue in accordance with the conditions and ceiling specified in the applicable regulations (currently the additional securities must be issued within 30 days of the close of the original subscription period and may not represent more than 15% of the original issue amount). Such additional issues will also be subject to the blanket ceiling set in the twenty-eighth resolution;
- 2. decides** that the Board of Directors may not use this authorization while a public offer for the Company's shares is in progress, except with the prior authorization of the Shareholders' Meeting;
- 3. decides** that this authorization shall be valid for a period of 26 months as from the date of this Shareholders' Meeting and shall supersede, with immediate effect, any previous authorization granted for the same purpose.

TWENTY-SIXTH RESOLUTION

Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in payment for contributed assets

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with Articles L. 225-129 *et seq.* and especially Article L. 225-147, paragraph 6, of the French Commercial Code:

- 1. authorizes** the Board of Directors to issue ordinary shares and/or securities carrying immediate and/or deferred rights to ordinary shares in payment for shares and/or securities carrying rights to shares contributed to the Company other than in connection with a public tender offer. The aggregate par value of shares issued directly or indirectly under this authorization may not exceed 10% of the capital. This authority may be delegated in accordance with the law. This authorization does not affect the exclusive authority vested in the Board of Directors by Article L. 228-92 of the French Commercial Code to issue debt securities with rights to other debt securities or rights to existing equity instruments;
- 2. decides** that the aggregate nominal value of bonds or other debt securities carrying rights to new shares that are issued under this authorization may not exceed €1.96 billion or the equivalent in foreign currencies or monetary units;
- 3. decides** that the Board of Directors may not use this authorization while a public offer for the Company's shares is in progress, except with the prior authorization of the Shareholders' Meeting;
- 4. decides** to give the Board of Directors full powers to use this authorization, including the power (i) to approve the value attributed to the contributed assets as well as the granting of any specific benefits; (ii) subject to the agreement of the contributor, to reduce the value attributed to the contributed assets or the consideration paid for specific benefits; (iii) to place the capital contribution on record; (iv) to charge any related fees and expenses to the share premium; and (v) to increase the Company's capital and amend the Bylaws accordingly. These powers may be delegated in accordance with the law;
- 5. specifies** that, in accordance with the law, the Board of Directors' decision to carry out any issues under this authorization will be based on the report of one or several appraisal auditors;
- 6. decides** that this authorization shall be valid for a period of 26 months as from the date of this Shareholders' Meeting and shall supersede, with immediate effect, any previous authorization granted for the same purpose.

TWENTY-SEVENTH RESOLUTION

Authorization for the Board of Directors to increase the Company's capital by capitalizing reserves, retained earnings, additional paid-in capital or any other eligible amounts

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, and pursuant to Articles L. 225-129 to L. 225-129-6 and L. 225-130 of the French Commercial Code:

- 1. gives** the Board of Directors full powers to decide to increase the capital, on one or more occasions, by capitalizing reserves, retained earnings, additional paid-in capital or any other eligible amounts and issuing bonus shares and/or increasing the par value of existing shares, as well as to determine the amount and timing of such increases. Any such capital increases may be carried out jointly with any share issues for cash carried out pursuant to the twenty-second to twenty-sixth resolutions of this Shareholders' Meeting;
- 2. decides** that the aggregate par value of shares issued under this authorization shall not exceed 50% of the capital, not including the par value of any additional shares to be issued pursuant to the applicable laws, regulations or any contractual provisions to protect the rights of existing holders of securities carrying rights to shares;
- 3. decides** that the Board of Directors may not use this authorization while a public offer for the Company's shares is in progress, except with the prior authorization of the Shareholders' Meeting;
- 4. decides** that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:
 - ◇ set the terms and conditions of the authorized transactions; decide on the amount and types of items to be capitalized, the number of new shares to be issued or the amount by which the par value of existing shares is to be increased; set the retroactive or future date from which the new shares will carry dividend and voting rights or the date on which the increase in par value will be effective; and charge the share issuance costs and any other costs against the related premium;
 - ◇ decide that any rights to fractions of shares shall be non-transferable and that the corresponding shares will be sold and the sale proceeds allocated among the rights holders within the period specified in the French Commercial Code;
 - ◇ take all necessary measures and enter into any and all agreements to permit the execution of the planned transaction(s), and generally do whatever is necessary, perform all actions and formalities required to implement the capital increase(s) carried out under this authorization and amend the Bylaws to reflect the new capital;
- 5. decides** that this authorization shall be valid for a period of 26 months as from the date of this Shareholders' Meeting and shall supersede, with immediate effect, any previous authorization granted for the same purpose.

TWENTY-EIGHTH RESOLUTION

Blanket ceiling on the authorizations to issue shares and/or securities carrying rights to shares

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors, **decides:**

1. that the aggregate par value of shares issued directly or on exercise of conversion, exchange, redemption or other rights attached to securities pursuant to the authorizations granted to the Board of Directors in the twenty-second to twenty-seventh resolutions may not exceed 50% of the share capital;
2. that the aggregate par value of shares issued directly or on exercise of conversion, exchange, redemption or other rights attached to securities, without pre-emptive subscription rights, under the authorizations granted to the Board of Directors in the twenty-third to twenty-sixth resolutions may not exceed 10% of the share capital.

It is hereby specified that these ceilings shall not include the par value of any additional shares to be issued pursuant to the applicable laws, regulations or any contractual provisions to protect the rights of existing holders of securities carrying rights to shares.

TWENTY-NINTH RESOLUTION

Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares to members of an Accor Group employee share ownership plan "PEG" without pre-emptive subscription rights for existing shareholders

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with Articles L. 3332-1 *et seq.* of the French Labor Code and Articles L. 225-129, L. 225-129-2 to L. 225-129-6 and L. 225-138-1 of the French Commercial Code:

1. **authorizes** the Board of Directors to issue ordinary shares and/or securities carrying rights to shares, on one or more occasions, to eligible employees and retired former employees of the Company and related French and foreign companies, as defined in Article L. 225-180 of the French Commercial Code, who are members of one or more employee share ownership plans implemented within the Accor Group. This resolution may be used to implement structured offers;

2. **authorizes** the Board of Directors to grant free shares and/or securities carrying rights to shares to replace all or part of the discount and/or matching contribution, within the limits prescribed in Article L. 3332-21 of the French Labor Code, as part of any capital increase(s) carried out under this resolution;
3. **resolves** that the aggregate par value of shares issued under this authorization, either directly or on exercise of conversion, exchange, redemption or other rights attached to securities, may not exceed 2% of the Company's share capital on the date of the Board of Directors' decision to increase the share capital;
4. **resolves** that the subscription price for new shares issued pursuant to this resolution may not exceed the average of the prices quoted for the Company's shares during the 20 trading days preceding the Board of Directors' decision setting the opening date of the subscription period, and may not represent less than said average less the maximum discount authorized by the regulations in force on the pricing date;
5. **resolves** that this resolution automatically entails for the above-mentioned beneficiaries the waiver by shareholders of their pre-emptive rights to subscribe for any shares and/or securities to be issued pursuant to this authorization. These shareholders also waive, in the event that free shares are granted to the beneficiaries, any right to those shares, including the fraction of the reserves, retained earnings, additional paid-in capital or any other eligible amounts capitalized for the granting of the free shares;
6. **decides** that the Board of Directors may not use this authorization while a public offer for the Company's shares is in progress, except with the prior authorization of the Shareholders' Meeting;
7. **resolves** that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law and the Bylaws. Accordingly, the Board of Directors shall be authorized to:
 - ◇ determine which companies are eligible to subscribe for the shares and/or securities,
 - ◇ decide that the securities may be acquired either directly or through a corporate mutual fund or any other structure or entity permitted under applicable legal provisions,
 - ◇ set the opening and closing dates of the subscription period,
 - ◇ set the amounts of the issues to be performed under this authorization and decide, in particular, the issue prices, timing, deadlines, terms and conditions of the subscription, payment, delivery and cum-rights date of the shares (even retroactively), the reduction rules applicable if they are oversubscribed and the other terms and conditions of the issues, to the extent permitted under the laws and regulations in force,

- ◇ in the event that free shares are granted, determine the form, characteristics and number of shares to be issued, the number to be granted to each beneficiary and decide the timing, deadlines, terms and conditions applicable to the granting of the shares, to the extent permitted under the laws and regulations in force and, where applicable, decide to charge the sums required to pay up the shares against reserves, retained earnings, additional paid-in capital or any other eligible amounts,
 - ◇ place the capital increases on record, in the amount actually subscribed, and carry out all related transactions and formalities, either directly or through a representative,
 - ◇ if applicable, charge the costs incurred for the capital increases against the corresponding additional paid-in capital and deduct from that amount the sums required to increase the legal reserve to one-tenth of the new share capital amount resulting from those capital increases,
 - ◇ enter into any and all agreements, complete (directly or indirectly through a representative) any transactions and formalities, including the formalities resulting from capital increases and the amendments required to the Bylaws to reflect the new share capital amount,
 - ◇ generally, enter into any and all agreements, in particular to achieve the successful completion of the planned issues, take all appropriate steps and decisions and carry out all formalities necessary for the issue, listing and service of the securities issued pursuant to this authorization and for the exercise of any related rights or rights resulting from the completed capital increases;
- 8. decides** that this authorization shall be valid for a period of 26 months as from the date of this Shareholders' Meeting and shall supersede, with immediate effect, any previous authorization granted for the same purpose.

THIRTIETH RESOLUTION

Authorization for the Board of Directors to issue securities reserved for certain categories of employees under an employee share ownership transaction, without pre-emptive subscription rights for existing shareholders

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code, especially Article L. 225-129-2, and Articles L. 225-138 and L. 228-91 of the Code:

- 1. notes** that, in some countries, due to legal, tax or practical problems or uncertainties, employee share ownership offers can only be implemented using

alternatives to those offered to the employees of the French companies of the Accor Group who are members of an employee share ownership plan;

- 2. authorizes** the Board of Directors accordingly, with the power to subdelegate as permitted by law, to issue, on one or more occasions, shares and any other securities carrying rights to the Company's shares, to be solely offered to any financial institution or subsidiary controlled by that institution or any entities organized and existing under French law or a foreign law, with or without a separate legal personality, whose sole corporate purpose is to subscribe, hold and dispose of the Company's shares and/or any other securities carrying rights to shares, for the implementation of structured offers as part of an international employee share ownership plan within the Accor Group;
- 3. resolves** that the aggregate par value of shares issued under this authorization, either directly or on exercise of conversion, exchange, redemption or other rights attached to securities, may not exceed 2% of the Company's share capital on the date of the Board of Directors' decision to increase the share capital. This amount will be deducted from the ceiling provided for in the twenty-ninth resolution submitted at this Shareholders' Meeting;
- 4. resolves** that this authorization may only be used for the purpose of an employee share ownership offer using the authorization granted in the twenty-ninth resolution submitted to this Shareholders' Meeting and solely to meet the objective stated in the first section of this resolution;
- 5. resolves** that the issue price of the new shares and/or securities carrying rights to shares issued pursuant to this authorization will be determined by the Board of Directors based on the price of the Company's shares quoted on Euronext Paris. The price will be equal to the average of the prices quoted for the Company's shares over the 20 trading days immediately preceding the Board's decision setting the opening date of the subscription period for the capital increase performed pursuant to the twenty-ninth resolution submitted to this Shareholders' Meeting, less a discount that may not exceed the maximum discount permitted under Article L. 3332-19 of the French Labor Code;
- 6. resolves** that existing shareholders will not have a pre-emptive right to subscribe for the ordinary shares and/or securities carrying rights to shares that may be issued pursuant to this resolution, for the benefit of the above-mentioned category of employees. These shareholders also waive their pre-emptive right to subscribe for the Company's ordinary shares to which the securities carrying rights to shares issued pursuant to this authorization could entitle their holders;
- 7. decides** that the Board of Directors may not use this authorization while a public offer for the Company's shares is in progress, except with the prior authorization of the Shareholders' Meeting;

8. resolves that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized, within the limits and on the terms set out below, to:

- ◇ determine the amounts of the issues to be performed under this authorization and decide, in particular, the issue prices, timing, deadlines, terms and conditions of the subscription, payment, delivery and cum-rights date of the shares and/or securities (which may be retroactive), the form and characteristics of the securities carrying rights to shares to be issued, the arrangements for exercising the rights attaching to the shares and/or securities carrying rights to shares to be issued and the other terms and conditions of the issues, to the extent permitted under the laws and regulations in force,
- ◇ determine the list of the one or more employees benefiting from the cancellation of pre-emptive subscription rights within the above-mentioned category and the number of shares and/or securities carrying rights to shares to be subscribed by each of them,
- ◇ set the opening and closing dates of the subscription periods,
- ◇ place the capital increase on record, in the amount of the shares and/or securities carrying rights to shares actually subscribed,
- ◇ if applicable, at its sole discretion, charge any and all costs incurred for the capital increases against the related additional paid-in capital,
- ◇ determine and carry out any adjustments to protect the rights of the holders of securities carrying rights to shares,
- ◇ enter into any and all agreements, complete (directly or indirectly through a representative) any transactions and formalities, including the formalities resulting from capital increases and the amendments required to the Bylaws to reflect the new share capital amount,
- ◇ generally, enter into any and all agreements, in particular to achieve the successful completion of the planned issues, take all appropriate steps and decisions and carry out all formalities necessary for the issue, listing and service of the securities issued pursuant to this authorization and for the exercise of any related rights or rights resulting from the completed capital increases;

9. resolves that this authorization will be valid for a period of 18 months as from the date of this Shareholders' Meeting.

THIRTY-FIRST RESOLUTION

Authorization for the Board of Directors to grant free shares to employees or executive officers of the Company

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with Articles L. 225-129 *et seq.* and Articles L. 225-197-1 *et seq.* of the French Commercial Code:

- 1. authorizes** the Board of Directors to implement one or several share grant plans involving either the issue of new shares or the allocation of existing shares;
- 2. decides** that the free shares may be granted to all employees, certain categories of employees or executive officers of the Company or of directly or indirectly related companies within the meaning of Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- 3. resolves** that the Board of Directors will determine the identity of the grantees or categories of grantees and the number of free shares granted to each of them along with the performance targets to be met for the vesting of the shares;
- 4. decides** that this authorization may be used to grant free shares to executive officers of the Company only if the thirty-second resolution of this Shareholders' Meeting is adopted;
- 5. resolves** that the shares granted under this resolution, in particular those granted to the Company's executive officers, will only vest if performance targets are met, based on all or some of the following criteria:
 - ◇ operating performance,
 - ◇ business development,
 - ◇ share performance,
 - ◇ CSR performance,
 - ◇ Group's cash-flow;
- 6. for the free shares granted to executive officers of the Company, gives** the Board of Directors full powers to set lock-up conditions and additional share purchase requirements (including the conditions under which this requirement could be fulfilled);

7. **decides** that the total number of free shares granted pursuant to this authorization shall be subject to and included in the blanket ceiling of 2.5% of the Company's capital, as determined as of the date of this Shareholders' Meeting. In accordance with the applicable regulations, this ceiling does not include any additional shares to be issued or allocated to protect grantees' rights in the case of a corporate action;
8. **decides** that the Board of Directors may decide that the free shares will be subject to a vesting period of at least three years, followed if applicable by a lock-up period;
9. **decides** that the shares may vest early in the event that the grantee becomes a victim of category 2 or 3 disability as defined in Article L. 341-4 of the French Social Security Code, in which case they shall immediately become freely transferable;
10. **authorizes** the Board of Directors to adjust the number of free shares if necessary to protect grantees' rights in the event of any corporate actions;
11. **notes** that if new free shares are granted, this authorization will entail, at the end of the vesting period, a capital increase by capitalizing reserves, retained earnings, additional paid-in capital or any other eligible amounts, for the benefit of the relevant grantees, and the corresponding waiver by existing shareholders, for the benefit of the grantees, of the fraction of the reserves, retained earnings, additional paid-in capital or any other eligible amounts capitalized for that purpose and the corresponding capital increase will be definitively completed solely by the vesting of the shares;
12. **gives** the Board of Directors full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to set the dates, terms and conditions of the grants, the vesting period and any lock-up period, and generally to take all useful measures and enter into any and all agreements to permit the completion of the planned share grants, place on record the capital increase(s) resulting from the use of this authorization and amend the Bylaws to reflect the new capital;
13. **resolves** that this authorization shall be valid for a period of 38 months as from the date of this Shareholders' Meeting and shall supersede, with immediate effect, any previous authorization granted for the same purpose.

THIRTY-SECOND RESOLUTION

Restriction on the number of free shares that may be granted to executive officers of the Company

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors, **resolves** that the shares granted to the Company's executive officers under the thirty-first resolution submitted to this Shareholders' Meeting may not represent more than 15% of the total number of shares granted under the said resolution.

ORDINARY RESOLUTIONS

THIRTY-THIRD RESOLUTION

Authorization for the Board of Directors to issue free share warrants to shareholders in the event of a public offer for the shares of the Company

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors and the Statutory Auditors' special report, and pursuant to Article L. 233-32 II of the French Commercial Code:

1. **authorizes** the Board of Directors, in the event of a public offer for the shares of the Company, to make one or more issues of warrants entitling the holders

to subscribe for one or more shares of the Company on preferential terms, and to allot the warrants free of consideration to all shareholders of record prior to the last day of the public offer, in the proportions and at the times it deems appropriate;

2. **resolves** that the aggregate par value of shares issued upon the exercise of these warrants may not exceed 25% of the share capital, not including the par value of any additional shares issued to protect the rights of the warrant holders pursuant to applicable laws, regulations or any contractual provisions and that the maximum number of share warrants that may be issued pursuant to this authorization may not exceed the number of shares comprising the share capital when the warrants are issued;

3. **resolves** that this authorization may only be used by the Board of Directors after obtaining a positive opinion from a special committee of the Board of Directors, chaired by the Vice-Chairman and comprising three independent directors, which shall itself be required to consult a financial adviser of its choice before issuing its opinion;
4. **resolves** that the warrants issued pursuant to this authorization shall not be exercisable and shall lapse automatically if the public offer for the shares of the Company or any counter-bid should fail and that, in such case, this authorization shall be deemed not to have been used and shall accordingly remain in full force and effect. The lapsed warrants shall therefore not be included in the aggregate number of warrants that may be issued in the event of its subsequent use;
5. **notes** that, insofar as necessary, this authorization shall entail the waiver by the shareholders of their preemptive rights over the shares of the Company to which the warrants issued pursuant to this authorization entitle their holders;
6. **resolves** that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:
 - ◇ set the terms and conditions of the issuance and allotment of the warrants, including the option to postpone or cancel the issue, and the number of warrants to be issued,
 - ◇ set the terms and conditions of exercise of the warrants, which shall be related to the terms of the public offer or any counter-bid, as well as the other characteristics of the warrants, including the exercise price or method of setting the exercise price,
 - ◇ set the terms and conditions of any adjustments to be made to protect the rights of warrant holders in accordance with the law, regulations or any contractual provisions,
 - ◇ set the terms and conditions of any capital increase arising upon exercise of the warrants, set the cum-rights date of the shares to be issued and, if it deems appropriate, deduct the costs, duties and fees incurred pursuant to the capital increases from the amount of related additional paid-in capital and deduct from this amount the sum required to bring the legal reserve up to one-tenth of the new share capital after each capital increase,
 - ◇ place on record the capital increase resulting from the exercise of the warrants, amend the Bylaws accordingly, perform all actions and formalities required and, more generally, do whatever is necessary;
7. **resolves** that this authorization shall be valid for a period expiring at the end of the offer period of any public offer for the shares of the Company made within 14 months of this Shareholders' Meeting and that it shall cancel as of this date any prior authorization with the same purpose.

THIRTY-FOURTH RESOLUTION

Powers to carry out formalities

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, **gives** full powers to the bearer of an original, extract or copy of the minutes of this Meeting to carry out any and all filing and other formalities required by law.

Members of the Board of Directors

after the Shareholders' Meeting of April 30, 2019



**Sheikh Nawaf Bin Jassim
Bin Jabor Al-Thani**

Chairman of Katara Hospitality

Term of office expires

2022 Shareholders' Meeting⁽³⁾
 ♦ *Member of the International
Strategy Committee*



Aziz Aluthman Fakhroo

Under-Secretary of State at the Ministry
of Finance, Qatar

Term of office expires

2022 Shareholders' Meeting⁽³⁾
 ♦ *Member of the Commitments
Committee*
 ♦ *Member of the Audit, Compliance
& Risks Committee*
 ♦ *Member of the Appointments,
Compensation & CSR Committee*



Sébastien Bazin

Chairman and Chief Executive Officer

Term of office expires

2020 Shareholders' Meeting



Iliane Dumas⁽²⁾

Social innovation project manager within
the Group's Talent & Culture Department

Term of office expires

May 2, 2020
 ♦ *Member of the Appointments,
Compensation & CSR Committee*



Sophie Gasperment⁽¹⁾

Group General Manager,
Financial Communication
and Strategic Prospective, L'Oréal

Term of office expires

2022 Shareholders' Meeting⁽³⁾
 ♦ *Chairman of the Appointments,
Compensation & CSR Committee*
 ♦ *Member of the Audit, Compliance
& Risks Committee*



Chantale Hoogstoel⁽²⁾

Accor Benelux HACCP
and Health & Safety Coordinator

Term of office expires

January 11, 2021
 ♦ *Member of the Commitments Committee*

(1) Independent director.

(2) Director representing employees.

(3) Subject to re-election as director at the 2019 Shareholders' Meeting.

Members of the Board of Directors after the Shareholders' Meeting of April 30, 2019



Qionger Jiang⁽¹⁾

Chief Executive Officer and Artistic Director of Shang Xia

Term of office expires

2022 Shareholders' Meeting⁽²⁾

- ◇ Member of the Audit, Compliance & Risks Committee
- ◇ Member of the Appointments, Compensation & CSR Committee
- ◇ Member of the International Strategy Committee



Iris Knobloch⁽¹⁾

President of Warner Bros Entertainment France

Term of office expires

2020 Shareholders' Meeting

- ◇ Vice-Chairman of the Board of Directors – Senior Independent Director
- ◇ Member of the Commitments Committee
- ◇ Member of the Audit, Compliance & Risks Committee
- ◇ Member of the Appointments, Compensation & CSR Committee
- ◇ Member of the International Strategy Committee



Nicolas Sarkozy⁽¹⁾

Leader of the French political party Les Républicains until November 2016

Term of office expires

2022 Shareholders' Meeting⁽²⁾

- ◇ Chairman of the International Strategy Committee



Isabelle Simon⁽¹⁾

Group Secretary & General Counsel, member of the Executive Committee, Thales Group

Term of office expires

2022 Shareholders' Meeting⁽²⁾

- ◇ Chairman of the Audit, Compliance & Risks Committee
- ◇ Member of the Appointments, Compensation & CSR Committee



Sarmad Zok

Chairman and CEO of Kingdom Hotel Investments and Non-Executive Board Director of Kingdom Holding Company

Term of office expires

2022 Shareholders' Meeting⁽²⁾

- ◇ Member of the Commitments Committee
- ◇ Member of the Appointments, Compensation & CSR Committee
- ◇ Member of the International Strategy Committee

(1) Independent director.

(2) Subject to re-election as director at the 2019 Shareholders' Meeting.

Statutory Auditors' report

on the financial statements



This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2018

To the Annual General Meeting of Accor,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of ACCOR for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities, and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2018 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics for Statutory Auditors (*Code de déontologie*).

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific elements, accounts or items of the financial statements.

Valuation of equity investments and related receivables

Key audit matter	Our response
<p>As at December 31, 2018, equity investments (including the receivables related to the investments) amounted to €8,242 million in net value, or 64% of total assets. These securities are initially recorded in the balance sheet at cost and, if necessary, in the event of a loss in value, written down to their current value which is the higher of the market value and the value in use.</p> <p>As indicated in Note 1.c) to the financial statements, the market value of financial investments corresponds either to: i) the share in consolidated net worth held in these investments, ii) a valuation based on determining the average Gross Operating Income (EBITDA) of the last two years generated by the hotel investments to which is applied a multiple which depends on the type of establishments attached to these investments and their financial position and iii) an estimate prepared in accordance with recent transactions.</p> <p>If the valuation of the market value of financial investments, such as determined above, leads to a possible impairment being recorded, a value in use is then calculated and determined as being the discounted value of expected cash flows.</p> <p>The estimate of the market value and value in use of these securities requires management to exercise judgment notably concerning expected cash flows assumptions and also the various elements to be considered for their valuation such as profitability outlook, the economic environment in the countries concerned or the determination of EBITDA multiple to be applied.</p> <p>In this context and as a result of the sensitivity to data and assumptions on which the estimates to determine market value are based, we considered the valuation of equity investments and related receivables to be a key audit matter.</p>	<p>We have familiarized ourselves with the process for determining the recoverable amount of equity investments and related receivables. Our work consisted in:</p> <ul style="list-style-type: none">› assessing the basis of the valuation methods used to determine the recoverable amount of equity investments;› reconciling, if necessary, the shareholders' equity used with data from the accounts of the subsidiaries concerned and any adjustments made, as well as the documentation underlying these restatements;› assessing with regard to market practices, the pertinence of Gross Operating Profit (EBITDA) multiples used, long-term growth rates and discount rates applied to cash flows with the support, if necessary, of our valuation specialists;› substantiating by interviews with management the main assumptions on which budget estimates underlying the cash flows used in the valuation models are based;› testing, by sampling, the arithmetical accuracy of the current values used by the company. <p>Beyond the assessment of the values in use and the market values of the equity investments, our work consisted in:</p> <ul style="list-style-type: none">› assessing the recoverable nature of the receivables with regard to the analyses made on the equity investments;› examining the necessity to record a provision for contingencies should the company have undertaken to bear the losses of a subsidiary with negative equity.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fairness and the concordance with the annual financial statements of the data related to payment terms as specified in Article D.441-4 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Regarding the information on factors that your Company considered could have a potential impact in case of a takeover or exchange offer, given in accordance with the requirements of Article L.225-37-5 of the French Commercial Code (*Code de commerce*), we have verified they are in accordance with the underlying documentation provided to us. Based on this work, we have no matter to report on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights and cross-shareholdings has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Accor by your Annual General Meeting of June 16, 1995.

As at December 31, 2018, our firms were in their 24th year of uninterrupted engagement.

Prior to ERNST & YOUNG Audit (formerly Barbier Frinault et Autres), Barbier Frinault et Associés had been statutory auditor since 1970.

Responsibilities of Management and those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified by Article L.823-10-1 of the French Commercial Code (*Code de commerce*), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ◇ identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ◇ obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- ◇ evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- ◇ assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- ◇ evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular as description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration referred to in Article 6 of Regulation (EU) No. 537/2014, confirming our independence in the sense of the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and or in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 22, 2019

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG et Autres

David Dupont-Noel

Guillaume Crunelle

Jean-Christophe Goudard

François-Guillaume Postel

Statutory Auditors' report

on the consolidated financial statements



Year ended December 31, 2018

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Accor,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Accor for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Emphasis of matter

We draw attention to the matter described in Note 15 "Impacts of the adoption of IFRS 15 and IFRS 9" to the consolidated financial statements which sets out the changes in accounting methods relating to the compulsory application as of January 1, 2018 of IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments. Our opinion is not modified in respect of this matter.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of intangible assets and property, plant & equipment

Risk identified	Our response
<p>As of December 31, 2018, the value of the Accor Group's intangible assets and property, plant & equipment totaled M€ 6,244, or 48% of total assets excluding assets classified as held for sale. These fixed assets are comprised of goodwill (M€ 2,399), brands (M€ 1,577) and contracts (M€ 516) mainly recognized on external growth transactions, as well as other intangible fixed assets (M€ 560) and property, plant & equipment (M€ 1,192).</p> <p>An impairment is recognized on the balance sheet when the recoverable amount is less than the net carrying amount in accordance with IAS 36, as described in Note 8.3 to the consolidated financial statements. Regarding the HotelServices and Nouvelles activités divisions, the determination of the recoverable amount is mainly based on discounted future cash flows for a maximum term of five years. Regarding the Actifs Hôtelières division, the recoverable amount is based on fair value which is first based on a normative multiple of Gross Operating Income (EBITDA).</p> <p>We considered the valuation of these fixed assets to be a key audit matter, given the method for determining their recoverable amount and the significance of these account headings in the Group's accounts. In addition, these recoverable amounts are based on the use of important assumptions, estimates or assessments made by Management, in particular future cash flow projections, the estimate of the discount rates, EBITDA multiples and long-term growth rates.</p>	<p>We have familiarized ourselves with the process implemented by the Group to determine the recoverable amount of fixed assets, intangible assets and property, plant & equipment, regrouped in Cash-Generating Units (CGUs).</p> <p>Our work also consisted in:</p> <ul style="list-style-type: none">› assessing the principles and methods for determining the recoverable amounts of the CGUs to which the intangible assets and property, plant & equipment are allocated;› reconciling the net carrying amount of the intangible assets and property, plant & equipment allocated to the CGUs tested with the Group's accounting records;› assessing as much as needed with the support of our valuation experts, the pertinence of the valuation models used as well as multiples of EBITDA, long-term growth rates and the discount rates applied in these models with regard to market practices;› substantiating by interviews with Management the main assumptions on which budget estimates underlying the cash flows used in the valuation models are based. For this purpose, we have also compared the estimates of cash flow projections of previous periods with actual corresponding results, to assess the pertinence and reliability of the process for making forecasts;› substantiating, for the goodwill and intangible assets presenting a recoverable amount near the net carrying amount, the results of sensitivity analyses carried out by Management by comparing them to those realized by us;› verifying, by sampling, the arithmetical accuracy of the valuations used by the Group. <p>We have also assessed the appropriateness of the disclosures provided in Note 8.3 to the consolidated financial statements.</p>

Assets/liabilities classified as held for sale and in discontinued operations

Risk identified	Our response
<p>On May 31, 2018, the Accor Group completed the disposal of 57.8% of the share capital of AccorInvest, its subsidiary formed on June 30, 2017 following legal restructuring operations to hold most of the Group's hotel assets (owned and operated under lease contracts).</p> <p>In accordance with the principles of IFRS 10, this transaction leads to a loss of control of the AccoHotels Group over AccorInvest. Accordingly, the assets and liabilities of AccorInvest, which were classified as assets held for sale in the Group's consolidated financial statements at year-end 2017 in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", were derecognized on completion date. Starting from May 31, 2018, the retained residual interest held by the Accor Group is recorded under the equity method in the consolidated financial statements, as a result of the significant influence exercised by the Group. On July 25, 2018, the Accor Group sold an additional tranche of 7% of AccorInvest's share capital. By December 31, 2018, the Group held a 35.2% stake in AccorInvest's share capital.</p> <p>In the Group's consolidated financial statements, the net profit from discontinued operations includes the gain realized on AccorInvest's disposal, after any directly-related transactions costs, as well as AccorInvest's net result until the sale date.</p> <p>Given the importance of these amounts, the volume and the complexity of the accounting entries resulting from the restructuring operations, and the ensuing tax impact, we considered the presentation of this information in the notes and the reclassifications made, to be a key audit matter.</p>	<p>We have assessed the adequacy of the items justifying the continued application of IFRS 5, until May 31, 2018, date of completion of the sale.</p> <p>Furthermore, we have examined:</p> <ul style="list-style-type: none"> › the gain realized on AccorInvest's disposal; › the directly-related transaction costs, integrated in the net result of discontinuing activities as at December 31, 2018; › AccorInvest's net result until the sale date. <p>We have analyzed the tax impacts associated with the disposal depending on applicable local tax regulations with our tax experts and after discussions with the Group's tax management team.</p> <p>Finally, we have assessed the appropriateness of the disclosures made regarding this disposal transaction in the notes to the consolidated financial statements, and notably Note 3.1 describing the financial impacts on Group's accounts.</p>

Revenue recognition – Adjustment to the opening consolidated shareholders' equity as part of the adoption of IFRS 15

Key audit matter	Our response
<p>The Group has adopted IFRS 15 using the full retrospective method. Thus, the first adoption impact was recorded in the Group's consolidated retained earnings as at January 1, 2017, with restatement of the comparative period. The Group applied the practical expedient proposed by the standard allowing not to restate the completed contracts as at January 1, 2018.</p> <p>As a result of the adoption of IFRS 15, the main impacts on the Group's consolidated financial statements are:</p> <ul style="list-style-type: none"> › a decrease in opening reserves of M€ (43); › related to the income statement as at December 31, 2017: a M€ 837 revenue increase, a M€ (3) EBE decrease and M€ 5 net consolidated profit increase. <p>Given the importance of these amounts, and their impact on the opening shareholders' equity, we considered the revenue recognition and the adjustment to the opening consolidated shareholders' equity as part of the adoption of IFRS 15, to be a key audit matter.</p>	<p>We have examined the adjustments to the opening statement of consolidated shareholders' equity, and the revenue recognition as for the year ended December 31, 2018.</p> <p>Furthermore, we have proceeded to the following analyses:</p> <ul style="list-style-type: none"> › examination of a sample of contracts representative of all hotel operating models, including the hotels under management contracts, the hotels under franchise agreements, and the directly owned hotels. This is in order to identify the impacts of the adoption of IFRS 15 for each operating model; › analysis of the accounting treatments applied by the Group and specific to each operating model; › assessment of the relevance of the significant judgments and assumptions used; › implementation of tests to assess the impact of the adoption of IFRS 15 on the opening shareholders' equity, and on income for the year ended December 31, 2018. <p>Finally, we have assessed the appropriateness of the disclosures made regarding the adoption of the IFRS 15 standard in the notes to the consolidated financial statements, and notably Notes 15 describing the financial impacts on Group's accounts.</p>

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement provided for by Article L.225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Accor by the annual general meeting held on June 16, 1995.

As at December 31, 2018, our firms were in the twenty-fourth year of total uninterrupted engagement.

Prior to ERNST & YOUNG et Autres (formerly Barbier Frinault et Autres), Barbier Frinault et Associés had been statutory auditor since 1970.

Responsibilities of Management and those charged with Governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ◇ Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◇ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ◇ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- ◇ Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ◇ Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◇ Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Risk Committee

We submit to the Audit and Risk Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 22, 2019

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG et Autres

David Dupont-Noel

Guillaume Crunelle

Jean-Christophe Goudard

François-Guillaume Postel

Statutory Auditors' report

on related party agreements and commitments



This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Annual General Meeting held to approve the financial statements for the year ended December 31, 2018

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements and commitments prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended 2018, of the agreements and commitments previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements and commitments submitted for approval to the Annual General Meeting

Agreements and commitments authorized during the year ended 2018

In accordance with Article L.225-40 of the French Commercial Code (*Code de commerce*), we have been notified of the following related party agreements and commitments which received prior authorization from your Board of Directors.

With Katara Hospitality

Person(s) concerned

MM. Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani, Chairman of the Board of Directors of the company, Aziz Aluthman Fakhroo, director of the designated company by Qatar Investment Authority.

Nature and purpose

Agreement concluded with Katara Hospitality, with a view to set-up an investment fund dedicated to Hospitality in Africa (Kasada Capital Management).

Conditions

On 26 June 2018, the Board of Directors authorized the company to conclude an agreement with Katara Hospitality with a view to set-up an investment fund dedicated to Hospitality in Africa, Kasada Capital Management. The fund will amount to up to US\$ 500 million in equity, of which Katara Hospitality and Accor will contribute respectively up to US\$ 350 million and US\$ 150 million over the next 5-7 years.

Reasons justifying why the Company benefits from this agreement

The Board of Directors considered that through this project, your company and Katara Hospitality will aim to create the first hotel fund dedicated to the sustainable development of Africa, such a fund providing your company with an opportunity to accelerate the development of Accor brands in Africa.

With Kingdom Hotels (Europe) LLC

Person(s) concerned

Mr. Sarmad Zok, president and CEO of Kingdom Hotel Investments and director of Kingdom Holding Company.

Nature and purpose

Agreement concluded with Kingdom Hotels (Europe) LLC with a view to acquiring all outstanding shares in Mövenpick Hotels & Resorts Management AG.

Conditions

On 18 April 2018, the Board of Directors authorized the company to acquire, directly and indirectly, all the share capital of Mövenpick Hotels & Resorts Management AG, a company incorporated under Swiss law ("MHR"), in which Kingdom Hotels (Europe) LLC holds 33.33% of the share capital and voting rights.

In this context, your company has been authorized to conclude a "Share Purchase Agreement" with, in particular, Kingdom Hotels (Europe) LLC, as well as a coexistence and brand licensing agreement with Mövenpick Holding AG and MP Invest AG and to accept a letter of commitment from Kingdom Hotels International.

The amount paid by your company for this acquisition amounted to CHF 651 million, or €578 million.

Reasons justifying why the Company benefits from this agreement

The acquisition of MHR is of strategic interest to your company, enabling it to strengthen its position among the world leaders in luxury hotels, increase its growth and profitability potential and strengthen its presence in key geographical markets.

Agreements and commitments previously approved by the Annual General Meeting

Agreements and commitments approved in prior years

a) whose implementation continued during the year ended 2018

In accordance with Article R.225-30 of the French Commercial Code (*Code de commerce*), we have been notified that the implementation of the following agreements and commitments, which were approved by the Annual General Meeting in prior years, continued during the year ended 2018.

With Mr. Sébastien Bazin, president and CEO

Mr. Sébastien Bazin's term of office as Chairman and Chief Executive Officer was renewed on February 21, 2017 by the Board of Directors for a three-year term.

In this context, after authorization by the Board of Directors, the General Meeting of 5 May 2017 approved the identical renewal of the following commitments made to it, which were implemented during the past financial year.

Participation of Mr. Sébastien Bazin in supplementary pension plans of an additive nature the Group's senior executives, in respect of the defined contribution pension plan (referred to as "Article 83")

Nature, purpose and conditions

The Board of Directors has decided to grant Mr. Sébastien Bazin the additional supplementary pension scheme, which includes several of the Group's senior executives and includes a defined contribution pension plan (referred to as "Article 83").

Mr. Sébastien Bazin, a corporate officer of your company with more than one year's seniority and a gross annual remuneration exceeding four Annual Social Security Ceilings, meets the conditions for eligibility for the defined contribution scheme ("Article 83"). At the time of the liquidation of his retirement, he will receive a life annuity, with the possibility of reversion, the amount of which is based on the contributions paid by your company each year of participation in the plan. The annual contribution paid by your company corresponds to 5% of its gross annual remuneration paid during the previous year, up to a maximum of five Annual Social Security Ceilings. In accordance with the clauses of the Social Security Code, participants retain their rights under this scheme in the event of leaving the company before their pension is paid.

For the 2018 financial year, your company paid the pension fund an amount of 9,933 euros, corresponding to the individual annual contribution to the scheme.

Application for private unemployment insurance

Nature, purpose and conditions

The Board of Directors has authorized the subscription to the "Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise" (GSC), of a private unemployment insurance allowing to make to benefit Mr. Sébastien Bazin from compensation in the event of loss of his professional activity. The benefits would be paid from the thirty-first day of continuous unemployment. The duration of the maximum compensation has been increased from twelve to twenty-four months, after twelve months of membership.

For the 2018 financial year, your company paid 31,646.54 euros to the "Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise", for the unemployment insurance of Mr. Sébastien Bazin.

With Mr. Sven Boinet, Deputy Chief Executive Officer until December 2, 2018

Conclusion of an employment contract with Mr. Sven Boinet

Nature, purpose and conditions

On his appointment, the Board of Directors authorised the conclusion of an employment contract between the company and Mr. Sven Boinet for functions as Group Director in charge of internal audit, legal and safety/security. Under this contract, Mr. Sven Boinet receives a gross annual remuneration of EUR 400,000, paid in twelve identical monthly instalments.

Under this contract, Mr. Sven Boinet is eligible for the additional supplementary pension scheme, which includes several of the Group's senior executives, it being specified that, as indicated below, Mr. Sven Boinet benefits from this scheme under his mandate as Deputy Chief Executive Officer.

Participation of Mr. Sven Boinet in the supplementary pension plans for the Group's senior executives

Nature, purpose and conditions

The Board of Directors has decided to grant Mr. Sven Boinet the additional supplementary pension scheme, which includes several of the Group's senior executives and includes a defined contribution pension scheme (referred to as "Article 83") and a defined benefit pension scheme (referred to as "Article 39"), the characteristics and conditions of which are described in the second part of this report, as far as Mr. Sébastien Bazin, Chairman and Chief Executive Officer is concerned.

For the 2018 financial year, your company paid the pension fund 9,933 euros corresponding to the individual annual contribution to the defined contribution plan.

With the company Eurazeo

Person(s) concerned

Mr. Patrick Sayer, director of your company and chairman of the management board of Eurazeo (until March 19, 2018) on the date of conclusion of the Framework Agreement.

Nature and purpose

Conclusion of a Framework Agreement with Eurazeo regarding the NOVA project.

Conditions

The Board of Directors of 22 April 2016 authorized the company to enter into a Framework agreement with Eurazeo, including the subscription by your company, directly or indirectly, of 30% of the share capital of the company "Grape Hospitality Holding" and the conclusion of franchise agreements for the operation by "Grape Hospitality" of hotels operated under the brands Accor.

This Framework agreement was signed and executed on June 21, 2016.

For the 2018 financial year, the amount of franchise fees and other services related to the franchise agreement invoiced to "Grape Hospitality" by your company amounts to 10,710,856 euros excluding taxes.

With the Institut Paul Bocuse

Person(s) concerned

Mr. Sven Boinet, Managing Director of your company until December 2, 2018 and Administrator of the Institut Paul Bocuse and Gérard Pélisson, founding co-president of your company and president of the Institut Paul Bocuse.

Nature and purpose

Loan Cash Advance Agreement.

Conditions

The Board of Directors has authorized your company to consent, as a member of the association "Institut Paul Bocuse", a cash advance in the amount of 200,000 euros for a five-year period, paid at 2% per year.

This cash advance, which provides the Paul Bocuse Institute with the means to invest in new equipment, allows the Accor group to participate in the development, notably of one of its historical partners.

During the 2014 financial year, your company paid the amount of the loan, namely 200,000 euros and has been collecting annual interest since that date.

For the 2018 financial year, the "Institut Paul Bocuse" paid an amount of 4,055.56 euros for these annual interests.

b) which were not implemented during the year ended 2018

In addition, we have been notified that the following agreements and commitments, which were approved by the Annual General Meeting in prior years, were not implemented during the year ended 2018.

With Mr. Sébastien Bazin, president and CEO

As mentioned above, as part of the renewal of Mr. Sébastien Bazin's term as President and Chief Executive Officer, the May 5, 2017 General Assembly approved the renewal of the following commitments, taken in respect of it and without execution during the preceding financial year.

Allowance for the termination of Mr. Sébastien Bazin's term of office as President and Chief Executive Officer or for the non-renewal of his term as Director

Nature, purpose and conditions

The Board of Directors has decided, with regard to the indemnity in the event of the revocation of Mr. Sébastien Bazin's term of office as President and Chief Executive Officer or the non-renewal of his term as Director, to pay him an allowance corresponding to twice the total of his fixed and variable remuneration received for the last financial year ended before the date of termination of his social mandate, except in the case of revocation for serious misconduct. It is specified that the payment of severance benefits to the President and CEO is excluded in the event of resignation, non-renewal of the term at his initiative, if he or she changes positions within the group or if he or she has the opportunity to exercise his or her full-rate pension rights in the short term.

Payment of the allowance is subject to the following performance criteria:

- ◇ return on capital employed for the group above the cost of capital as published in the reference document during the last three years;
- ◇ positive free cash flow at least two fiscal years over the last three fiscal years;
- ◇ EBITDAR margin rate (at constant scope and exchange rates) exceeding 27,50% at least two years over the last three years.

Performance measurement will be as follows:

- ◇ if all three criteria are met, the indemnity is due in full;
- ◇ if at least two of the three criteria are met, half of the compensation is due;
- ◇ if none or only one of the three criteria is met, no compensation is due.

Participation of Mr. Sébastien Bazin in the supplementary pension schemes of an additive nature of the senior executives of the group, as regards the defined benefit pension scheme ("section 39")

Nature, purpose and conditions

The Board of Directors has decided to make Mr. Sébastien Bazin benefit from the pension scheme an additive supplement that includes several senior executives of the group, including a defined benefit pension scheme (referred to as "section 39").

Mr. Sébastien Bazin, corporate representative of your company with an annual reference remuneration of more than five Annual Social Security Ceilings and having fulfilled these conditions for more than six months during the previous year, meets the conditions of eligibility for the defined benefit scheme ("section 39"). He will receive a life annuity at the time of the liquidation of his retirement, with the possibility of reversion, provided that he completes his career in the group and has a minimum of five years of participation in the scheme (or a minimum of 15 years in the group). Otherwise, he will have no rights. The pension provided by this scheme shall be reduced by the amount of annuity due under the defined contribution scheme described above.

Mr. Sébastien Bazin gradually acquires potential rights, calculated each year of participation in the scheme according to his annual reference salary. These potential entitlements represent, for each year of participation, between 1% and 3% of its annual reference salary based on instalments of salary.

Pursuant to the law of 6 August 2015, the Board of Directors has decided to subject Mr. Sébastien Bazin's participation in the defined benefit scheme to performance conditions, the satisfaction of which must be recorded annually by the Board of Directors.

The acquisition of rights under the defined benefit scheme (Article 39) is subject to the following two conditions:

- ◇ EBITDA relative to budget (for 50%); and;
- ◇ Free Cash Flow excluding disposals and external growth, including the change in operational working capital, compared to the budget (for 50%).

The pension that Mr. Sébastien Bazin would benefit from at the time of the liquidation of his retirement may not exceed 30% of his last annual reference compensation (fixed and variable) and the overall replacement rate (compulsory schemes plus supplementary schemes Accor) is capped at 35% of the average of the three highest remunerations recorded over a ten-year period prior to retirement.

Under this scheme and in the event of the group's departure before the liquidation of their retirement, except as provided for in law, the members retain only the entitlement from the defined contribution scheme and lose the entitlement from the defined benefit scheme.

With Mr. Sven Boinet, Deputy Chief Executive Officer until December 2, 2018

Termination Allowance for Mr. Sven Boinet

Nature, purpose and conditions

In the event of revocation, except for serious misconduct by Mr. Sven Boinet, the board of directors had decided to pay him compensation in the amount of 600,000 euros, increased by the amount of the variable remuneration due in respect of the last financial year ended before the date of termination of his social mandate and reduced, where appropriate, by the amount of the allowances due in respect of the termination of the employment contract.

This indemnity was due to the double condition that the performance criteria laid down by the board of directors were met and that it was a forced departure, namely revocation, except for serious or serious misconduct, the term of office of Deputy Chief Executive Officer. It is specified that the payment of the allowances was excluded in the event of resignation, if it changed its function within the group or if it had the opportunity to claim its full-rate pension rights in the short term.

Since Mr. Sven Boinet's term of office as Executive Director was not renewed on December 2, 2018, he is no longer eligible for such compensation.

Paris-La Défense, March 22, 2019

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG et Autres

David Dupont-Noel

Guillaume Crunelle

Jean-Christophe Goudard

François-Guillaume Postel

Statutory Auditors' report

on the reduction in capital



Annual general meeting of shareholders of 30 April 2019

21st resolution

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the annual general meeting of shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Article L.225-209 of the French Commercial Code (*Code de commerce*) in respect of a reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions for the proposed reduction in capital.

Your Board of Directors proposes that all powers should be delegated to said Board, for a period of twenty-four months as from this general meeting of shareholders, to proceed with the cancellation of the shares your Company was authorized to repurchase, representing an amount not exceeding 10% of its total share capital, by periods of twenty-four months, in accordance with the provisions of the above-mentioned article.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which is not liable to compromise equality among the shareholders, are fair.

We have no matters to report on the terms and conditions of the proposed reduction in capital.

Neuilly-sur-Seine and Paris-La Défense, 22 March 2019

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG et Autres

David Dupont-Noel

Guillaume Crunelle

Jean-Christophe Goudard

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Statutory Auditors' report

on the issue of marketable securities or shares and marketable securities with and/or without cancellation of preferential subscription rights



Annual general meeting of shareholders of 30 April 2019

Twenty-second, twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report on the proposed authorizations allowing your Board of Directors to decide on whether to proceed with various issues of shares and/or marketable securities, operations upon which you are called to vote.

Your Board of Directors proposes, on the basis of its (his/her) report, that:

- ◇ you delegate authority to it, for a period of twenty-six months, to decide whether to proceed with the following operations and to fix the final terms and conditions thereof, and proposes to cancel your preferential subscription rights if appropriate:
 - ◇ the issue, without cancellation of preferential subscription rights (twenty-second resolution), of ordinary shares and/or marketable securities giving access, immediately or in the future, to the capital of the Company or of companies of which it holds, directly or indirectly, more than half of the capital, or marketable securities giving entitlement to the allocation of debt securities,
 - ◇ the issue, with cancellation of preferential subscription rights, by means of an offer to the public (twenty-third resolution) of ordinary shares or marketable securities giving access, immediately or in the future, to the capital of the Company or of companies of which it holds, directly or indirectly, more than half of the capital, or marketable securities giving entitlement to the allocation of debt securities, it being specified that these securities may be issued as consideration for securities contributed to the Company within the scope of a public exchange offer for securities meeting the conditions set by Article L.225-148 of the French Commercial Code,
 - ◇ the issue, with cancellation of preferential subscription right, by means of offers referred to in section II of Article L.411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (twenty-fourth resolution), of ordinary shares or marketable securities giving access, immediately or in the future, to the capital of the Company or of companies of which it holds, directly or indirectly, more than half of the capital, or marketable securities giving entitlement to the allocation of debt securities;
- ◇ you delegate the necessary authority to it, for a period of twenty-six months, in order to issue ordinary shares or various marketable securities giving access, immediately or in the future, to the Company's capital, with a view to remunerating contributions in kind granted to the Company, comprising equity securities or marketable securities giving access to the capital (twenty-sixth resolution), within the limit of a maximum nominal amount of 10% of the share capital.

The overall nominal amount of the capital increases performed immediately or in the future may not, according to the twenty-eighth resolution, exceed 50% of the share capital in respect of the twenty-second to twenty-seventh resolutions, it being specified that the nominal amount of the capital increase performed immediately or in the future may not exceed 10% of the share capital, according to the twenty-third, twenty-fourth and twenty-sixth resolutions.

The nominal amount of bonds or other debt securities giving access to equity securities, that may be issued, may not exceed 10 billion euros in respect of the twenty-second resolution, and 1.96 billion euros in respect of each of the twenty-third, twenty-fourth and twenty-sixth resolutions.

Statutory Auditors' report on the issue of marketable securities or shares and marketable securities with and/or without cancellation of preferential subscription rights

These limits take into account the additional number of securities to be created in the event of an increase in the Company's share capital with or without cancellation of preferential subscription rights, under the conditions set out in Article L.225-135-1 of the French Commercial Code, if you adopt the twenty-fifth resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to these operations provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to these operations and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the issues that may be decided, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the Board of Directors' report in respect of the twenty-third and twenty-fourth resolutions.

Moreover, as the methods used to determine the issue price of the equity securities to be issued within the context of the implementation of the twenty-second and twenty-sixth resolutions are not specified in that report, we cannot report on the choice of constituent elements used to determine the issue price.

As the final conditions for the issue have not yet been determined, we cannot report on these conditions and, consequently, on the cancellation of preferential subscription rights proposed in the twenty-third and twenty-fourth resolutions.

In accordance with Article R.225-116 of the French Commercial Code, we will issue a supplementary report, if appropriate, when your Board of Directors has exercised these delegations of authority in the event of the issue of marketable securities that are equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, in the event of the issue of marketable securities giving access to equity securities to be issued and in the event of the issue of shares with cancellation of preferential subscription rights.

Paris-La Défense Cedex and Paris-La Défense, March 22, 2019

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG et Autres

David Dupont-Noel

Guillaume Crunelle

Jean-Christophe Goudard

François-Guillaume Postel

Statutory Auditors' report

on the issue of common shares or securities granting access to capital, restricted to the Company saving plan's subscribers



Combined Shareholder's Meeting of April 30, 2019

Twenty-ninth resolution

(This is a free translation into English of the Statutory Auditors' report that is issued in the French language and is provided solely for the convenience of English speaking readers.)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Article L.228-92 of the French Commercial Code (Code de commerce), we hereby report on the proposed delegation to the Board of Directors of the authority to decide the issue of common shares or securities granting access to capital, with waiver of preferential subscription rights, restricted to eligible employees and retirees of your Company and of French or foreign related companies under Article L.225-180 of the French Commercial Code (Code de commerce), subscribers to one or several saving plans implemented within Accor group, for a maximum amount of 2% of the share capital to the day of the Boards of Director's decision to proceed with the capital increase, an operation upon which you are called to vote.

The maximum nominal amount of the potential capital increase resulting from this resolution, realized either immediately or in the long run, is 2% of the Company's share capital to the day of the Boards of Director's decision to proceed with the capital increase. The nominal amount of the potential capital increases under the thirtieth resolution of today's Shareholders' meeting, realized either immediately or in the long run, will be charged on this amount.

You are called to vote upon this issue, in accordance with Articles L.225-129-6 of French Commercial Code (*Code de commerce*) and L.3332-18 *et seq.* of French Labor Code (*Code du travail*).

Your Board of Directors proposes that, on the basis of its report, it be authorized, for a period of twenty-six months from the date of this general meeting of Shareholders, to decide one or several issues and to waive your preferential subscription rights to the common shares and securities. If need be, it will decide the final conditions of the issue resulting from this operation.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. Our role is to report on the fairness of the financial information taken from the accounts, of the proposed waiver of preferential subscription rights, and on other information relating to the issue, as provided in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the Board of Directors' report relating to this transaction and the modalities of the determination of the issue price of the capital shares to be issued.

Subject to the further examination of the decided issue conditions, we have no matters to report as to the information provided in the Board of Directors' report relating to the modalities of the determination of the issue price of the capital shares to be issued.

Statutory Auditors' report on the issue of common shares or securities granting access to capital, restricted to the Company saving plan's subscribers

The final issue conditions being not decided yet, we do not issue any opinion about it, and consequently on your proposed waiver of preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code (*Code de Commerce*), we will issue an additional report, where necessary, when this delegation of authority is utilized by your Board of Directors, when common shares are issued, when securities which are capital shares granted access to other capital shares are issued, and when securities granted access to capital shares are issued.

Paris-La Défense, March 22, 2019

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG et Autres

David Dupont-Noel

Guillaume Crunelle

Jean-Christophe Goudard

François-Guillaume Postel

Statutory Auditor's report

on the issue of common shares or securities

granting access to capital, restricted to some

categories of beneficiaries as part of an employee

share ownership plan



Combined Shareholders' Meeting of April 30, 2019

Thirtieth resolution

(This is a free translation into English of the Statutory Auditors' report that is issued in the French language and is provided solely for the convenience of English speaking readers.)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Article L.228-92 and L.225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report on the proposed delegation to the Board of Directors of the authority to decide the issue of common shares granting access to capital with waiver of preferential subscription rights, restricted to any financial institution, or controlled subsidiary of this institution, or to any entity incorporated or not, under French or foreign law, having for only objective to buy, detain and sell capital shares and/or any other securities granting access to capital of your Company, to implement structured formulas as part of an Accor Group international employee share ownership plan, an operation upon which you are called to vote.

The maximum nominal amount of the potential capital increase resulting from this resolution, realized either immediately or in the long run, is 2% of the Company's share capital to the day of the Boards of Director's decision to proceed with the capital increase. Precision is made that this amount will be charged on the value of the cap under the twenty-ninth resolution of today's Shareholder' meeting.

Your Board of Directors proposes that, on the basis of its report, it be authorized, for a period of eighteen months from the date of this general meeting of Shareholders, to decide one or several issues and to waive your preferential subscription rights to the common shares and securities to be issued. If need be, it will decide the final conditions of the issue resulting from this operation.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. Our role is to report on the fairness of the financial information taken from the accounts, of the proposed waiver of preferential subscription rights, and on other information relating to the issue, as provided in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the Board of Directors' report relating to this transaction and the modalities of the determination of the issue price of the capital shares to be issued.

Subject to the further examination of the decided issue conditions, we have no matters to report as to the information provided in the Board of Directors' report relating to the modalities of the determination of the issue price of the capital shares to be issued.

Statutory Auditor's report on the issue of common shares or securities granting access to capital, restricted to some categories of beneficiaries as part of an employee share ownership plan

The final issue conditions being not decided yet, we do not issue any opinion about it, and consequently on your proposed waiver of preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code (*Code de Commerce*), we will issue an additional report, where necessary, when this delegation of authority is utilized by your Board of Directors, when common shares are issued, when securities which are capital shares granted access to other capital shares are issued, and when securities granted access to capital shares are issued.

Paris-La Défense, March 22, 2019

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG et Autres

David Dupont-Noel

Guillaume Crunelle

Jean-Christophe Goudard

François-Guillaume Postel

Statutory Auditors' report

on the authorization of free allocation of existing or to be issued shares



Combined Shareholder's Meeting of April 30, 2019

Thirty-first and thirty-second resolutions

(This is a free translation into English of the Statutory Auditors' report that is issued in the French language and is provided solely for the convenience of English speaking readers.)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Article L.225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed free allocation, in one or several times, of existing or to be issued shares for the benefit of the members – or of some categories of them – of salaried employees or Executive Directors of your company, or of directly or indirectly related companies or groups under Article L.225-197-1 *et seq.* of the French Commercial Code (*Code de Commerce*), an operation upon which you are called to vote.

The maximum number of the potential allocated shares under this authorization represents 2,5% of the share capital as it will be after today's General Shareholder's Meeting, being precised that the total maximum number of free shares allocated to your Company's Executive Directors represents 15% of the total allocated shares under this resolution.

The shares acquisition under this resolution, particularly by your Company's Executive Directors, will be contingent upon the completion of performance conditions over some or all of the following criteria: operational performance, activity development, stock performance, CSR performance, Group's cash flows.

Your Board of Directors proposes that, on the basis of its report, it be authorized, for a period of thirty-eight months from the date of this general meeting of Shareholders, to allocate free existing or the be issued shares.

It is the responsibility of the Board of Directors to prepare a report on this operation, upon which it wishes to be authorized to proceed. Our role is to report, when necessary, on the fairness of the given information on the proposed operation.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the modalities proposed in the Board of Directors' report are compliant with the law.

We have no matters to report as to the information provided in the Board of Directors' report relating to the proposed authorization of free shares allocation.

Paris-La Défense, March 22, 2019

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG et Autres

David Dupont-Noel

Guillaume Crunelle

Jean-Christophe Goudard

François-Guillaume Postel

Statutory Auditors' report

on the issue of free share subscription warrants in the event of tender offers for the Company's shares



Combined Shareholders' Meeting of April 20, 2018

Thirty-third resolution

(This is a free translation into English of the Statutory Auditors' report that is issued in the French language and is provided solely for the convenience of English speaking readers.)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Article L.228-92 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed issue of free share subscription warrants in the event of tender offers for the Company's shares, an operation upon which you are called to vote.

Your Board of Directors proposes that, on the basis of its report, it be authorized, for a period expiring at the end of the offer period of any tender offer for the Company's shares that is filed within eighteen months from the date of this general meeting of shareholders, within the scope of Article L.233-32 II of the French Commercial Code, to do the following:

- ◇ decide to issue, on one or more occasions, warrants subject to the regime under Article L.233-32 II of the French Commercial Code entitling holders to subscribe for one or more shares of the Company under preferential conditions, and allocate them free of charge to all Company shareholders that were shareholders before the expiry of the tender offer period,
- ◇ set the conditions under which said warrants may be exercised and determine their characteristics.

The maximum nominal amount of the capital increase resulting from the exercise of said warrants is 25% of the share capital and the maximum number of share subscription warrants issued pursuant to this delegation may not exceed the number of shares comprising the share capital at the time the share subscription warrants are issued.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. Our role is to report on the fairness of the financial information taken from the accounts and on other information relating to the issue, as provided in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the Board of Directors' report relating to this transaction.

We have no matters to report as to the information provided in the Board of Directors' report relating to the proposed transaction to issue share subscription warrants in the event of tender offers for the Company's shares.

In accordance with Article R.225-116 of the French Commercial Code, we will issue an additional report, where necessary, when this delegation of authority is utilized by your Board of Directors.

Paris-La Défense, March 22, 2019

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG et Autres

David Dupont-Noel

Guillaume Crunelle

Jean-Christophe Goudard

François-Guillaume Postel

Request for documents



Form to be returned to:

Société Générale
Service des Assemblées Générales
32, rue du Champ-de-Tir
CS 30812
44308 Nantes Cedex 3, France



Combined Ordinary and extraordinary Shareholders' Meeting

Thursday 30 April 2019

The undersigned: _____

Address: _____

Owner of: _____ registered shares ⁽¹⁾

and/or: _____ bearer shares

Requests that the Company send the additional documents mentioned in Article R. 225-83 of the French Commercial Code to the above-mentioned address.

Signed in: _____

On: _____ 2019

Signature:

(1) Holders of registered shares may make a one-time request that the documents and information mentioned in Article R. 225-83 of the French Commercial Code be sent to them prior to all future shareholders' meetings.



ACCOR, Société Anonyme. Share capital: €847,823,400
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