



ACCOR

*Notice of meeting*  
**2020**

COMBINED ORDINARY  
AND EXTRAORDINARY  
SHAREHOLDERS' MEETING  
TUESDAY, JUNE 30, 2020  
AT 10:00 A.M



## CONTENTS

<i>How to participate in the Shareholders' Meeting</i>	2
<i>2019 Summary Accor management report</i>	6
<i>Agenda Combined Ordinary and Extraordinary Shareholders' Meeting of June 30, 2020</i>	30
<i>Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on June 30, 2020</i>	32
<i>Proposed resolutions submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting of June 30, 2020</i>	40
<i>Members of the Board of Directors after the Shareholders' Meeting of June 30, 2020</i>	47
<i>Statutory Auditors' report on the financial statements</i>	49
<i>Statutory Auditors' report on the consolidated financial statements</i>	53
<i>Statutory Auditors' report on related party agreements and commitments</i>	58
<i>Statutory Auditors' report on the issue of ordinary shares and/or securities reserved for members of an employee share ownership plan</i>	60
<i>Statutory Auditors' report on the proposed issue of free share warrants in the event of a public offer for the Company's shares</i>	61
<i>Request for documents</i>	63



Accor is a world-leading augmented hospitality group offering unique experiences in more than 5,000 hotels and residences across 100 countries. The Group has been acquiring hospitality expertise for more than 50 years, resulting in an unrivaled portfolio of 39 hotel brands, from luxury to economy. It also offers digital solutions that maximize distribution, optimize hotel operations and enhance the customer experience.

ALL – Accor Live Limitless, the new daily lifestyle companion, is elevating the Group’s relationship with its customers, members and partners from transactional to emotional, and inventing new, more aspirational ways to live, work and play limitless. Beyond accommodation, ALL enables new lifestyles by blending food and beverage with nightlife, wellbeing, and coworking.

Accor is deeply committed to sustainable value creation and plays an active role in giving back to planet and community *via* its Planet 21 – Acting Here program and the Accor Solidarity endowment fund, which gives disadvantaged groups access to employment through professional training.

# How to participate in the Shareholders' Meeting

Shareholders are invited to participate in the Combined Ordinary and Extraordinary Shareholders' Meeting to be held behind closed doors at the Company's headquarters at 10:00 a.m. CEST on June 30, 2020, without any shareholders or other eligible persons in physical attendance.

The decision to hold the Shareholders' Meeting behind closed doors, without any shareholders or other eligible persons in physical attendance, was made by the Board of Directors at its meeting on April 30, 2020 in order to comply with government restrictions on gatherings and the related social distancing and other public health guidelines. The decision also complies with (i) Article 4

of Order No. 2020-321 dated March 25, 2020 amending the rules governing the organization and decision processes for shareholders' meetings and meetings of the governance structures of private sector entities due to the Covid-19 epidemic, and (ii) the related Decree No. 2020-418 dated April 10, 2020.

The Meeting will be broadcast live on the Company's website.

The procedure for participating in the Shareholders' Meeting described below takes into account the exceptional situation arising from the Covid-19 crisis and the provisions of Order No. 2020-321 dated March 25, 2020 and Decree No. 2020-418 dated April 10, 2020.

## Eligibility criteria

Shareholders are eligible to vote at the Shareholders' Meeting provided that their shares have been recorded in their name, or in that of their accredited financial intermediary, in the Company's share register or in a securities account kept by an accredited bank or broker no later than the second business day preceding the date of the Meeting, which is the **record date**.

For the Combined Ordinary and Extraordinary Shareholders' Meeting on June 30, 2020, the record date will therefore be **zero hour CEST on Friday, June 26, 2020**.

## Procedure for participating in the Shareholders' Meeting in the exceptional circumstances created by the Covid-19 crisis

As explained above, exceptionally, the Shareholders' Meeting will be held behind closed doors, without any shareholders or other eligible persons in physical attendance.

You will nonetheless be able to participate in the Meeting as follows:

- 1) **by post**: you can vote or give proxy to the Chairman of the Meeting or to another person or legal entity of your choice by sending in the postal voting/proxy form; or
- 2) **online**: you can vote online or give proxy online to the Chairman of the Meeting or to another person or legal entity of your choice.

Article R. 225-85 of the French Commercial Code (*Code de commerce*) stipulates that any shareholder who has already voted, sent a proxy form, requested an admittance card or a certificate of share ownership 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 zero hour CEST on Friday, June 26, 2020, the Company will

cancel or modify the postal or online vote or proxy. 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 zero hour CEST on Friday, June 26, 2020, you are not required to notify the Company of the sale, notwithstanding any agreement to the contrary.

As a general principle, in light of the exceptional situation created by the Covid-19 crisis and the resulting risk of delays in postal deliveries, we encourage you to submit documents online and to ask for documents to be sent to you by e-mail, as explained below.

## 1) To vote or give proxy by post

If you hold registered shares, a postal voting/proxy form will be sent to you automatically by post, provided that the shares were recorded in your name in the Company's share register or in an administered account (*actions au nominatif pur ou administré*) at least 30 days before the publication date of the Notice of Meeting.

If you hold bearer shares, you should request a postal voting/proxy form by writing to your bank or broker, or to the Company's registrar (Société Générale, Service des Assemblées, CS 30812 - 44308 Nantes Cedex 3, France). The request must be received by your bank or broker or by Société Générale Securities Services **at least six days** before the Meeting date, i.e., no later than **June 24, 2020**.

Complete the postal voting/proxy form and send it 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. If you hold bearer shares, the form should be sent via your bank or broker who should also attach a certificate of share ownership (*attestation de participation*). For the vote or proxy to be taken into account, the form must be received by the Company or Société Générale at least three days before the Meeting date, i.e., no later than **June 26, 2020**.

To give proxy to a person of your choice (or withdraw a proxy), if you hold registered shares you should send the proxy form directly to Société Générale Securities Services and if you hold bearer shares you should send it to your 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 at least three days before the Meeting date, i.e., no later than **June 26, 2020**.

To withdraw your proxy, you should notify the Company by the same procedure as that followed to give the proxy, in accordance with Article R. 225-79, paragraph 5, of the French Commercial Code.

As an exception to the foregoing, you may give or withdraw proxy online up until 3:00 p.m. CEST on the **day before the Meeting date** (i.e., up until **3:00 p.m. CEST on June 29, 2020**) using the VOTACCESS online platform or by sending an e-mail notification to [assemblee.generale@accor.com](mailto:assemblee.generale@accor.com). In this latter case, you will need to install on your computer an electronic signature solution featuring a signer identity verification system that associates you with the content of the e-mail, and obtain the e-signature certificate or code.

## 2) To vote or give proxy online

You may vote online via the VOTACCESS platform which will be open from **9:00 a.m. on June 10, 2020 until 3:00 p.m. on June 29, 2020**. To avoid overloading the site, we recommend that you do not wait until the last day to vote.

This solution is only available if you hold bearer shares and your bank or broker is a member of the VOTACCESS system and offers this service for the 2020 Shareholders' Meeting. Your bank or broker will tell you what to do if they are not a member of the VOTACCESS system or if access to the secure platform is subject to certain conditions of use.

The electronically signed e-mail should include the following information:

- **for holders of registered shares recorded in the Company's share register:** your full name, address and Société Générale registered shareholder identifier (printed in the top left-hand corner of the securities account statement) and the full name of the person to whom proxy is being given (or from whom it is being withdrawn);
- **for holders of registered shares recorded in an administered account or bearer shares:** your full name, address and bank details, and the full name of the person to whom proxy is being given (or from whom it is being withdrawn); you will also need to instruct the bank or broker that manages your securities account to send a confirmation e-mail to the Shareholders' Meeting Services department of Société Générale (the bank or broker will already have the department's e-mail address).

If you send the proxy form by post, for the proxy (or withdrawal of proxy) to be taken into account, the confirmation must be received no later than **June 26, 2020**.

As an exception to the foregoing, proxy given to another shareholder, your spouse, your civil partner or any other person or legal entity of your choice, by post or by e-mail using the procedure set out in Article R.225-61 of the French Commercial Code, will be taken into account provided that it is received by the Company at least four days before the Meeting date (i.e., no later than **June 26, 2020**). The proxy holder should notify Société Générale of the votes cast on your behalf in accordance with your instructions by sending the voting form by e-mail to [assemblees.generales@sgss.socgen.com](mailto:assemblees.generales@sgss.socgen.com), to be received at least four days before the Meeting date (i.e., no later than **June 26, 2020**). The dated and signed voting form should include the full name and address of your proxy and the words "Acting in the capacity of proxy". The vote "for" or "against" each resolution should be indicated in the form's "I vote by post" box.

The proxy holder should include a scanned copy of his or her ID card or, if proxy is given to a legal entity, scanned copies of the ID card and delegation of authority of the entity's representative.

To exercise the voting rights attached to his or her own shares, the proxy holder should issue voting instructions in the normal way.

If you hold registered shares, you should log onto the secure [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com) website using the Sharinbox access code shown on the postal voting/proxy form you received by post with the Notice of Meeting. The password needed to log onto the site will have been sent to you when you first entered into contact with Société Générale Securities Services. If you have lost or forgotten your password, simply click on "Get your codes" on the login page. Once you have logged on, click on "Reply" in the "General Meetings" section of the home page, follow the instructions and click on

"Vote". You will then be redirected automatically to the voting website. 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 where you should follow the procedure shown on the screen.

In addition, in accordance with Article R. 225-79 of the French 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](http://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](mailto: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.

You may give or withdraw proxy online up until **3:00 p.m. CEST on the day before the Meeting date** (i.e., up until **3:00 p.m. CEST on June 29, 2020**) using the VOTACCESS online voting site or by sending an e-mail notification to [assemblee.generale@accor.com](mailto:assemblee.generale@accor.com). In this latter case, you will need to install on your computer an electronic signature solution featuring a signer identity verification system that associates you with the content of the e-mail, and obtain the e-signature certificate or code. The electronically signed e-mail should include the following information:

- for holders of registered shares recorded in the Company's share register: your full name, address and Société Générale registered shareholder identifier (printed in the top left-hand corner of the securities account statement) and the full name of the person to whom proxy is being given (or from whom it is being withdrawn);
- for holders of registered shares recorded in an administered account or bearer shares: your full name,

## Questions

If you have any questions you would like to have answered during the Meeting, as provided for in Article L. 225-108, paragraph 3, of the Commercial Code, you should submit them **at least four business days before the Meeting Date**, i.e., no later than **June 24, 2020**, by e-mail to [assemblee.generale@accor.com](mailto:assemblee.generale@accor.com) or by registered mail with return receipt requested to Accor, 82 rue Henri Farman – 92130 Issy-les-Moulineaux, for the attention of the Chairman of the Board of Directors. The question must be accompanied by a certificate (*attestation d'inscription en compte*) attesting that your shares are recorded in the Company's share register or in a securities account kept by your bank or broker.

address and bank details, and the full name of the person to whom proxy is being given (or from whom it is being withdrawn); you will also need to instruct the bank or broker that manages your securities account to send a confirmation e-mail to the Shareholders' Meeting Services department of Société Générale (the bank or broker will already have the department's e-mail address).

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.

If you have voted by post or online, or given proxy, you may subsequently choose to participate in the Meeting in another way, provided that you inform the Company of the change within the period specified above for the receipt of the postal voting/proxy form. Upon receipt of your new instructions, the original instructions will be canceled.

Lastly, in accordance with Article L. 225-126 I of the French Commercial Code, you should note that any person that holds shares representing over two-hundredths of the Company's voting rights, alone or in concert with another person, pursuant to one or several securities lending or repurchase agreements or options in force on the disclosure date, must disclose the total number of shares held temporarily under said agreements and/or options to the Company and the French securities regulator (*Autorité des marchés financiers*) at least two business days before the Meeting date (i.e., no later than 00:00 a.m. CEST on **June 26, 2020**). In the event of non-disclosure, the shares concerned will be stripped of voting rights at the Shareholders' Meeting in question and at any other Shareholders' Meeting held in the period until the shares are resold or returned.

You should also note that, as the Shareholders' Meeting is to be held behind closed doors, **requests for admittance cards submitted by shareholders will not be processed.**

You are invited to check the Shareholders' Meeting page on the Company's website <https://group.accor.com>, which will be updated regularly with details of the procedure for participating in the Shareholders' Meeting and/or the changes made to comply with any new legal and regulatory measures that may be introduced after publication of this Notice of Meeting.

You should note that due to the current public health crisis, questions submitted by post may not be delivered in time to be addressed during the Meeting. Provided that they are sent at least four business days before the Meeting date, the Company will make every effort to address shareholders' written questions received between the regulatory deadline and the Meeting date.

To permit more direct dialog between management and shareholders despite the Covid-19 related restrictions, the Company is also giving shareholders the opportunity to send questions by e-mail to [assemblee.generale@accor.com](mailto:assemblee.generale@accor.com) up until 3:00 p.m. the day before the Meeting date, i.e. no later than 3:00 p.m. CEST on **June 29, 2020**. These

questions will be addressed as far as possible during the Meeting. In order to be considered, the questions

must be accompanied by a certificate of ownership (*attestation d'inscription en compte*).

## 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 French securities regulator (*Autorité des marchés financiers*) and the Company no later than the second business


day prior to the Shareholders' Meeting, i.e., by zero hour CEST on Friday, June 26, 2020, by sending an e-mail to [declarationpretsemprunts@amf-france.org](mailto:declarationpretsemprunts@amf-france.org) and [assemblee.generale@accor.com](mailto:assemblee.generale@accor.com).

**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.



Siège social: 82 rue Henri Farman  
92130 Issy-Les-Moulineaux  
au capital de 812 797 050 €  
2 036 444 RCS Nanterre

**ASSEMBLÉE GÉNÉRALE MIXTE**  
Du Mardi 30 juin 2020 à 10h00  
à Huis Clos  
Tour Sequana - 82 rue Henri Farman  
92130 Issy-Les-Moulineaux

**COMBINED GENERAL MEETING**  
on Tuesday, June the 30th, 2020 at 10:00 am  
behind closed doors  
Tour Sequana - 82 rue Henri Farman  
92130 Issy-Les-Moulineaux

**CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY**

Identifiant - Account	Vote simple Single vote	
Nombre d'actions Number of shares	Nominatif Registered	Vote double Double vote
	Porteur Bearer	
Nombre de voix - Number of voting rights		

**1** **JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directeur ou la Gérance, à l'EXCEPTION de ceux que je signale en noir comme ceci ■ l'une des cases "Non" ou "Abstention", / I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box, like this ■, for which I vote No or I abstain.

1	2	3	4	5	6	7	8	9	10	A	B
Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Oui / Yes	Oui / Yes
Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Non / No	Non / No
11	12	13	14	15	16	17	18	19	20	C	D
Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Oui / Yes	Oui / Yes
Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Non / No	Non / No
21	22	23	24	25	26	27	28	29	30	E	F
Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Oui / Yes	Oui / Yes
Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Non / No	Non / No
31	32	33	34	35	36	37	38	39	40	G	H
Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Oui / Yes	Oui / Yes
Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Non / No	Non / No
41	42	43	44	45	46	47	48	49	50	J	K
Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Non / No	Oui / Yes	Oui / Yes
Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Non / No	Non / No

**2** **JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
Cf. au verso (3)

**I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING**  
See reverse (3)

**3** **JE DONNE POUVOIR À :** Cf. au verso (4)

**I HEREBY APPOINT:** See reverse (4)

M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

**ATTENTION:** Pour les titres au porteur, les présentes instructions doivent être transmises à votre banque.  
**CAUTION:** As for bearer shares, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf. au verso (1)  
Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no changes can be made using this proxy form). See reverse (1)

Date & Signature

**In all cases, date and sign the form here.**

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

# 2019 Summary

## Accor management report

---

Accor delivered another record-breaking year in 2019. More diversified than ever, the Group remains focused on implementing its strategy, executing its roadmap, and creating value.

Its performance was all the more remarkable for being delivered in a troubled macroeconomic environment, and was achieved as the Group completed its transformation to its asset-light model with the disposals of 85.8% of Orbis, an additional tranche of 5.2% of AccorInvest, 4.9% of Huazhu and 16 Mövenpick hotels (three of which being in development).

With a portfolio of 739,537 rooms (5,036 hotels), it was another record year for organic development: 45,108 rooms (327 hotels), 29% of which in the Luxury segment and 69% in emerging markets were opened.

The Group also continued to expand its ecosystem of brands and services to attract ever more customers, and is now working actively to retain them. To that end, Accor has created ALL – Accor Live Limitless, a new lifestyle loyalty program offering access to a new world of experiences, additional services and rewards aimed at increasing the contribution of loyal members to its revenue to 40% by 2022. The Group has also stepped up marketing investments compared with previous years to promote the recognition of its brands and the attractiveness of its new universe, establishing partnerships with a global scope.

Lastly, Accor is still putting as much effort into reinforcing the fundamentals that drive its model: the engagement and talent of its 300,000 employees, the quality and diversity of its offers, its portfolio of powerful brands, its efficient distribution tools and loyalty programs, its proven leadership in high-potential areas and its extremely robust financial position.

The Group's 2019 results reflect this change. Driven by growing business worldwide, its results are clearly improving, with EBITDA of €825 million, and free cash flow of €434 million.

Operating profit, which amounted to €678 million, benefited largely from the proceeds from the disposals mentioned above. Net financial expense increased €12 million, notably due to an €11 million increase in the cost of hedges.

Net income Group share was €464 million, down on the €2,233 million reported last year, which included the €2.4 billion capital gain generated by the disposal of 64.8% of AccorInvest.



## 2019 business review

### Revenue

**Consolidated revenue** totaled **€4,049 million** in full-year 2019, **up 3.8% like-for-like** and **up 23.4% as reported** compared with full-year 2018. The difference between the like-for-like and reported changes stems primarily from the acquisitions of Mantra and Mövenpick in 2018.

Reported revenue for the period reflects the following factors:

- **changes in the scope of consolidation** (acquisitions and disposals) had a positive impact of €380 million (+10.9%), largely due to the contributions of Mantra and Mövenpick;
- **currency effects** had a positive impact of €48 million (+1.4%), mainly due to the US dollar (€50 million).

### EBITDA

The **Group's EBITDA** totaled **€825 million** in 2019, an increase of 5.9% on a like-for-like basis and 31.9% as reported compared with 2018, driven by acquisitions and slight currency effects.

division's EBITDA was up 89% like-for-like, lifted by a 13% increase in revenue from D-Edge, Gekko, VeryChic and ResDiary.

Up 5.1% as reported and 5.8% like-for-like, **HotelServices' EBITDA** was **€741 million**, compared with €705 million in 2018, reflecting the deferral to 2020 of €19 million in marketing expenses for the launch of ALL, which took place later than expected.

**Hotel Assets & Other** delivered growth of 168.0% as reported thanks to the acquisition of the Mövenpick Hotels & Resorts and Mantra portfolios. In 2019, they contributed €642 million to revenue and €168 million to EBITDA (compared with €350 million and €44 million respectively on comparable period). Like-for-like, EBITDA was down 7.3% due to higher exposure to Australian RevPAR<sup>(1)</sup>.

The **New Businesses** reported negative EBITDA of **€2 million**, at breakeven as expected in the fourth quarter of 2019 thanks to the refocus of the onefinestay and John Paul activities on profitable contracts. The

Together, the **Holding & Intercos lines**, which represent corporate overheads, reported stable EBITDA.

### EBIT

EBIT was **€497 million** in 2019, compared with €505 million in 2018.

**Personnel expenses**, which include hotel personnel costs (reimbursed to HotelServices by partner hotel owners, and recognized in revenue pursuant to IFRS 15), amounted to €1,939 million in 2019, compared with €1,722 million in 2018, an increase of 13%.

**Depreciation, amortization and provision expense** for the year was €328 million, compared with €120 million in 2018, mainly reflecting the acquisitions of Mantra and Mövenpick, for which the Group depreciated right-of-use assets in accordance with IFRS 16.

**Rental expense**, which is the variable portion of rents for hotel assets operated under leases (in accordance with IFRS 16), amounted to €62 million in 2019, compared with €135 million in 2018.

**Other operating expenses** consist mainly of marketing, advertising, promotional, selling and information systems costs. They include the impact of eliminating intra-group flows from discontinued operations: AccorInvest over the first five months of 2018 and Orbis over the two years.

(1) RevPAR, or Revenue Per Available Room, is an indicator of business performance over a given period. It is calculated by multiplying the average room rate by the average occupancy rate.

## Operating profit

**Operating profit** rose by €525 million to **€678 million**, compared with €153 million in 2018.

- The **share of net profit of associates and joint ventures** fell by €77 million to **€3 million** in 2019, compared with €80 million in 2018, linked to a smaller contribution from Huazhu, which is dealing with a challenging environment in China (RevPAR down 3.1%), and a reduced contribution from AccorInvest, whose financing costs increased with it achieving independence.
- **Restructuring costs**, mainly related to a transformation plan in Europe and in the Group's Paris headquarters, amounted to €8 million, compared with €126 million in 2018.
- **Disposal gains** totaled **€352 million** in 2019, including the proceeds from the disposal of 4.9% of the capital of Huazhu Group Ltd (€301 million) and the investment in the Fairmont Claremont hotel in the United States (€32 million). A capital gain of €19 million was also

generated by the sale of an additional 5.2% tranche of the capital of AccorInvest.

- **Asset impairment** amounted to **€181 million**, compared with €250 million in 2018, linked to hotel assets operated in Australia (€150 million) and the Mövenpick hotels currently in the process of being sold (€23 million).
- A **reversal of provisions for pensions of €37 million** was carried out, resulting from the freezing of the supplementary pension schemes applied in accordance with the provisions of France's new Pacte law.
- **Other non-recurring expenses** also fell by €36 million to €22 million, compared with €58 million in 2018. This item notably includes expropriation to discontinued of €25 million on a hotel in the United Kingdom and the cost of acquiring and integrating the Mövenpick Hotels & Resorts, Mantra and FRHI groups for €17 million.
- In 2018, **non-recurring income and expenses** consisted mainly of €246 million impairment losses on the New Businesses, €126 million in restructuring costs in Europe and at the Group's Paris headquarters, and €23 million in acquisition and integration costs.

## Net profit, Group share

**Net financial expense** amounted to **€75 million** in 2019, compared with €63 million in 2018. This increase of €12 million is attributable mainly to the following items:

- a financial expense of €17 million resulting from the application of IFRS 16 "Leases";
- an increase of €11 million in foreign currency hedging expense;
- interest income of €11 million linked to a loan to sbe.

The Group's **income tax expense** was **€138 million**, compared with an expense of €109 million in 2018.

**Profit from discontinued operations** was **€20 million**, compared with €2,303 million in 2018. This 2018 figure included the capital gain of €2.4 billion generated by the sale of 64.8% of AccorInvest in 2018.

**Net profit, Group share** was accordingly **€464 million**, compared with €2,233 million in 2018. Based on a weighted average number of shares outstanding of 271,823,856 at December 31, 2019, **earnings per share** was **€1.55** in 2019, compared with €7.61 in 2018.

## Recurring free cash flow

**Funds from operations** amounted to **€597 million** in 2019, compared with €543 million in 2018, due to good levels of business in most of the Group's markets, which covered the increase in personnel, marketing, information systems, distribution, advertising and promotional costs, as well as lease liabilities now required to be taken into account in accordance with IFRS 16. Other income includes €64 million in dividends paid by AccorInvest, an increase of €32 million compared with 2018.

**Recurring expenditure** – which includes key money paid by HotelServices in relation to its development,

as well as digital and information systems investments, and maintenance investments in the remaining owned and leased hotels – came to **€161 million** in 2019, versus €106 million in the prior year.

**Working capital** was broadly stable in 2019, increasing by **€2 million** compared with a change of €30 million in 2018.

**Recurring free cash flow** came to **€434 million** in 2019, reflecting a cash conversion rate of 77%.

## Dividend and payout ratio

Exceptionally, in view of the uncertainties that the Covid-19 pandemic places on Accor's business in 2020, the Board of Directors has decided not to propose a dividend to its shareholders in respect of 2019.

The €300 million share buyback program launched on January 20, 2020 was completed on March 24, 2020. The two new tranches of €300 million and €400 million planned for 2020 and 2021 have been suspended to preserve the Group's cash, and will be reactivated when economic conditions are more favorable.

## Financial flows

**Acquisitions** made in 2019 totaled **€214 million**, including equity investments of €62 million in the Rixos Hospitality chain and €22 million in the 25Hours chain, as well as €30 million in Ken Group.

**Proceeds from disposals of assets** amounted to **€635 million** in 2019, including those from the disposals of 4.9% of Huazhu (€301 million), the additional 5.2% tranche of AccorInvest (€199 million) and Fairmont Claremont (€32 million). In 2018, this item included the proceeds from the disposal of 64.8% of AccorInvest and other asset disposals including the Sofitel Budapest in a total amount of €4,844 million.

The **change in lease liabilities** was **€548 million**. It includes the €978 million in lease liabilities on leased hotels, partially reduced by a sale & management back transaction on a portfolio of 16 leased Mövenpick hotels in the amount of €430 million.

**Dividends paid** to shareholders decreased to **€294 million** in 2019 from €306 million in 2018. The Group launched a **share buyback program** in 2018, buying back two tranches in a total amount of €850 million, a first tranche of €350 million completed at the end of November 2018 and a second tranche of €500 million launched in December 2018 and completed in June 2019.

**Net debt** accordingly totaled **€1,333 million** at December 31, 2019, up €180 million compared with December 31, 2018.

As a reminder:

- in January 2019, Accor successfully placed two bonds: a €600 million senior bond maturing in 2026 with a 1.75% coupon and a €500 million perpetual hybrid bond with a 4.38% coupon and a first call date in 2024. These transactions allowed for the early redemption of a €350 million bond maturing in 2021 with a 2.63% coupon and the redemption of €386 million on the perpetual hybrid bond with a first call date in 2020;
- in October 2019, Accor further optimized its hybrid capital through the placement of a new €500 million perpetual hybrid bond with a 2.63% coupon and a first call date in 2025. This transaction enabled it to finance the redemption of €386 million on the perpetual hybrid bond with a first call date in 2020. Following this second redemption, Accor had redeemed a total of 85.7% of the amount of the hybrid bond initially issued in 2014.

This series of liability management transactions lowered the **average cost of the Group's debt** to **1.8%** and brought its **average maturity** to a comfortable level of **3.7 years** at December 31, 2019.

## Consolidated income by strategic business

### HotelServices

HotelServices corresponds to Accor's 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).

The Management & Franchise activity is 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 €22 billion, versus €20 billion in 2018, and revenue of €2,894 million, up 10.5% as reported and up 4.6% like-for-like.** These figures reflect the resilience generated by the geographic and segment diversification of the businesses and by the expansion of the hotel network.

**Management & Franchise (M&F) revenue** amounted to **€1,026 million**, a like-for-like increase of 3.8% that reflects the Group's growth in all of its markets.

Overall, the **Management & Franchise activity** reflects the RevPAR trends observed in the various regions, particularly strong development in the final quarter of 2019 and some non-recurring items.

In **Europe**, Management & Franchise revenue was sound, with RevPAR growth of 2.6% and dynamic organic development in the fourth quarter. In **Asia-Pacific**, revenue was up by a slight 2.3% due to a drop in RevPAR, despite a 6.8% increase in development (excluding Huazhu). In **North America, Central America & the Caribbean**, RevPAR grew by 0.7%, compared with growth of 12.3% in **South America**, driven by growth in RevPAR. The **Middle East & Africa** recorded a revenue increase of 5.3%, linked to development and contract termination compensation received in Saudi Arabia.

### RevPAR

**Consolidated RevPAR** rose by **1.7%** overall during the period.

Management & Franchise (M&F) revenue increased substantially in **Europe** (up 4.0% like-for-like), underpinned by RevPAR growth of 2.6% all segments combined.

- In **France**, RevPAR was up 2.6% like-for-like. The strong first half of the year, buoyed by events such as the Paris Air Show and the FIFA Women's World Cup, was offset by a more mixed end of year. The Paris region (RevPAR up 1.6% in full-year 2019) suffered from the absence of certain major conventions and from the strikes, which had an impact on corporate customers in the fourth quarter, while the regional cities were more resilient (+3.3%).
- RevPAR remained stable (+0.2%) in the **United Kingdom**, with considerable differences persisting between London and the regional cities. The increase in RevPAR in London (+2.0%) reflected the still-dynamic domestic tourism market, offsetting the decline in RevPAR seen in the regional cities (-1.7%) due to soft corporate demand.
- RevPAR rose by 1.4% in **Germany**. RevPAR growth picked up in the fourth quarter, as expected, due to a more favorable trade fair calendar.

M&F revenue in **Asia-Pacific** was up 2.3% like-for-like despite slightly negative RevPAR for full-year 2019 (-0.9%). The trend continued to worsen in the fourth quarter (-1.9%).

- RevPAR was down 6.1% in **China** in full-year 2019. While domestic demand remained strong, trade tensions between China and the United States, combined with the unrest in Hong Kong, continued to cause market conditions to deteriorate. This had a significant impact on demand from business customers.
- RevPAR growth in **Australia** was slightly negative at -0.8%. The slowdown in tourism from China affected demand and the major fires that broke out in the country had an adverse impact at the end of the year.

M&F revenue in the **Middle East & Africa** region rose by 5.3% despite moderate RevPAR growth of 0.9%. This strong growth in revenue can be attributed to the expansion of the network in the region and the receipt of payments for breach of contract.

M&F revenue in **North America, Central America & the Caribbean** was up 1.5%, driven by 0.7% RevPAR growth in the region.

Lastly, **South America** continued to post significant growth, particularly in Brazil, with revenue up 13.0% reflecting a 12.3% increase in RevPAR.

**Services to Owners**, which includes the Sales, Marketing, Distribution and Loyalty division, as well as shared services and the repayment of hotel personnel costs, generated revenue of €1,867 million, versus €1,654 million in full-year 2018.

## EBITDA

**HotelServices' M&F** activity reported **EBITDA** up 8.3% on a like-for-like basis and 16.1% as reported, backed by strong revenue growth across all regions, thanks

to efficiency measures and reversals of provisions in almost all regions. Restated for this impact, like-for-like growth would be 6.0%.

In **Europe**, EBITDA grew by 6.6% on a like-for like basis, thanks to the restructuring plan for corporate functions announced in 2018, which generated significant cost savings.

## HotelServices' performance

**HotelServices** derived 35% of its revenue from management and franchise fees, and 65% 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.

**HotelServices' EBITDA margin** was down 1.3 points, impacted by the costs associated with the marketing investment plan launched in February 2019, transferred to Services to Hotel Owners.

- The **EBITDA margin** of the **M&F** activity expanded by a substantial 6.2 points to **74.5%**. This division includes the management, brand and profit-sharing fees of hotels operated by the Group.
- Since the purpose of the "**Services to hotel owners**" activity is to spend the fees collected from hotel operators on sales, marketing, distribution, loyalty or shared services, its **EBITDA** margin is very low, and even negative in 2019 at **1.3%**. This trend reflects a return to normal activity after a strong performance in 2018. The expenses of the marketing plan announced in 2019 amounted to €36 million. As indicated above, the Group has also performed a more relevant reclassification of some of its services in this activity.

**Organic development** reached new record levels in 2019. Accor opened 327 new hotels, with 45,108 rooms; it enjoys very encouraging prospects, with a pipeline of 1,206 hotels and 208,000 rooms at December 31, 2019.

## 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) and restaurant owners to optimize table management and supplies (activities carried out by ResDiary and Adoria);
- hotel booking services for companies and travel agencies with Gekko;
- concierge services provided by John Paul;
- digital sales, carried out by 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). The division includes Mantra and Mövenpick group hotels 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. This division also includes three activities in Asia-Pacific: AccorPlus (discount card program), Accor Vacation Club (timeshare business) and Strata (room distribution and management of common areas).

**Hotel Assets & Other revenue** was up 2.9% like-for-like to **€1,077 million**. The reported rise of 43.4% notably reflects the consolidation of Mantra in May 2018 and

**New Businesses** generated **revenue of €159 million** in 2019, up 3.8% on a like-for-like basis. The 7.2% increase as reported reflects the acquisitions of ResDiary and Adoria in April and June 2018, respectively.

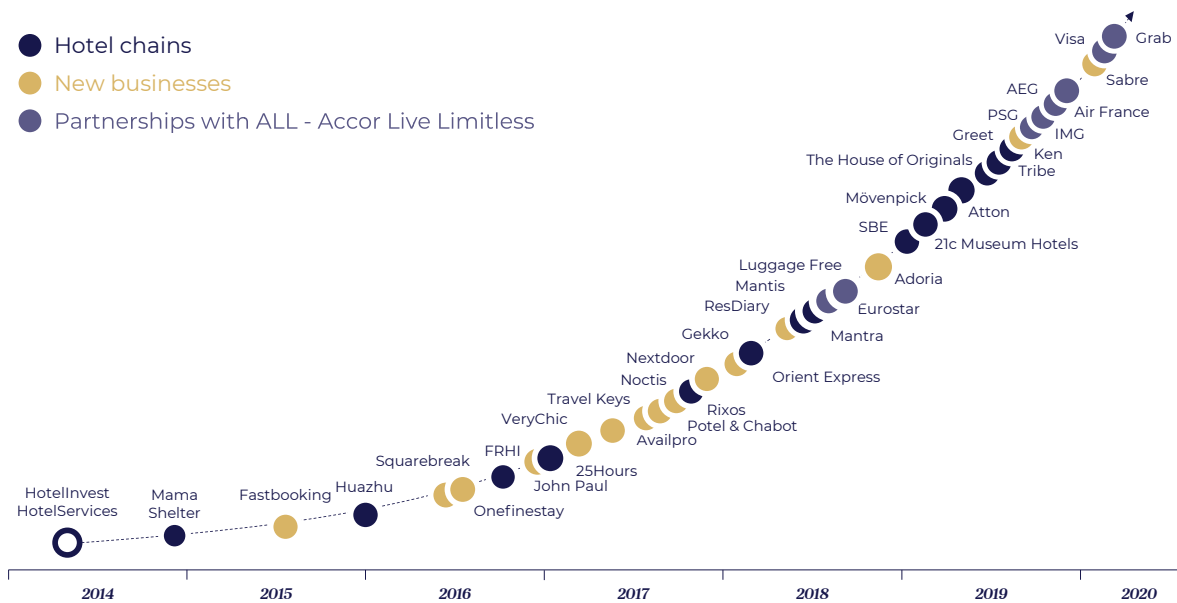
**New Businesses EBITDA** improved sharply to **negative €2 million** in 2019 from negative €28 million in 2018, reflecting the initial benefits of the strategy implemented to restructure and streamline the operations of onefinestay and John Paul. As expected, EBITDA was at breakeven in the fourth quarter of 2019. The objective will soon be to transfer some of the activities of this division to HotelServices, and to forge partnerships with some of the others, including D-Edge, onefinestay and John Paul.

Mövenpick in September of the same year. Following the reclassification of Orbis' real estate operations to discontinued operations in accordance with IFRS 5, this segment was mainly driven by the Asia-Pacific region. Excluding Orbis and the portfolio of leased Mövenpick hotels, the division's hotel base comprised 163 hotels and 29,417 rooms at December 31, 2019.

**Hotel Assets & Other EBITDA** came to €216 million in 2019, compared with €80 million in 2018, a significant increase linked to the acquisitions of Mantra and Mövenpick. **Hotel Assets' EBITDA margin** came to 20.0%. By contrast, the division's EBITDA fell by 7.3% on a like-for-like basis, reflecting its most significant exposure being to Asia-Pacific, especially Australia, where RevPAR was down 0.8%. This division's operating leverage naturally increases the sensitivity of EBITDA to economic conditions, which is why a deteriorated environment forced the Group to recognize an impairment loss of €150 million on Mantra.

## A simplified, expanded and more agile business model

In an environment shaped by swift change in guests' habits and the need to rethink the codes for the hotels of tomorrow, Accor has profoundly redefined its business model by selling almost all of the real estate it previously owned. At the same time, it has used its numerous acquisitions and partnerships to build a hospitality ecosystem geared toward increasing its sources of revenue in growing areas and the most profitable segments, and to acquire new brands, new services and new rewards for its customers and partners.



### Finalization of the Group's transition to an asset-light profile

In 2019, Accor took its asset-light strategy further by selling the majority of the property assets it still owned, notably those of its subsidiary Orbis in Central Europe, plus 16 Mövenpick hotels and part of its investments in Huazhu and AccorInvest.

### Disposal of the Orbis property business, consolidating the Group's leadership in Central Europe

#### Acquisition of 85.8% of Orbis

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 148 hotels (23,000 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.

To gain flexibility in the management of the Orbis hotel portfolio and sell the property without losing the

management rights, Accor initially consolidated its control over the company (in which it held a 52.7% stake) by launching a public offer for its shares in November 2018. The transaction enabled Accor to acquire 33.1% of Orbis for €339 million, increasing its stake to 85.8%.

#### Acquisition of the Orbis Hotel Services business

Subsequently, Orbis split its owner-operator and hotel services (hotel management and franchise) operations, as HotelServices and HotellInvest did between 2015 and 2017, in order to refocus on its asset portfolio and sell its hotel services business. Orbis and Accor came to an agreement under which Accor acquired the hotel services business for approximately €286 million, making the Group the manager of the 73 hotels owned and leased by Orbis.

#### Sale of 85.8% of the Orbis real estate activity to AccorInvest

Following discussions with several potential investors, Accor signed a firm agreement with AccorInvest for the sale of its 85.8% stake in the capital of Orbis for €1.06 billion. This transaction was carried out in the form of a public offer for all outstanding shares in Orbis.

The disposal was completed on March 11, 2020.

### Sale of 5.2% of AccorInvest's capital, reducing Accor's stake to 30%

In November 2019, Accor signed an agreement for the sale of 5.2% of the capital of AccorInvest with several existing shareholders of the company for €199 million. This represents a 12.9% increase in the value of AccorInvest compared with the sale price in 2018, reflecting the positive effects of the transformation initiated by AccorInvest, Europe's leading hotel owner. This sale leaves Accor holding 30% of AccorInvest, which is the lock-up level the Group undertook to maintain until May 2023 at the time of the AccorInvest spin-off in 2018.

AccorInvest has 30,000 employees in 25 countries worldwide, and owns 846 hotels (122,000 rooms) out of the 1,182 assets owned and leased by Accor. Of these, 348 are wholly owned by AccorInvest and 498 operated under fixed- and variable-rent leases. Management contracts governing the relationship between Accor and AccorInvest, including the fees paid by AccorInvest to Accor, are in line with market practices. Indexed to the hotels' EBITDAR (incentive fees), fees are expected to increase over time by virtue of investments to boost the performance of the hotels in the company's portfolio. Accor has signed management contracts relating to the operation of AccorInvest 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).

### Sale and management-back of 16 leased Mövenpick hotels

In December 2019, Accor also closed a transaction to restructure a portfolio of 16 leased Mövenpick hotels located in Germany, Switzerland and the Netherlands (including three hotels currently in the pipeline) managed by Accor under a 20-year management contract.

The transaction took the form of a sale and management-back agreement with HR Group, a German private investment fund. The removal of these hotels from Accor's hotel portfolio reduces consolidated debt by €430 million, corresponding to the total amount of the lease liabilities attached to them.

### Sale of 4.9% of the capital of Huazhu for \$451 million

Accor also signed a definitive agreement in December 2019 for the sale of 4.9% of the capital of Huazhu Group Limited for \$451 million. Motivated by the company's strong growth in China, Accor initially acquired a 10.8% stake in Huazhu for \$193 million in 2014. In December 2019, Accor sold around 5% of Huazhu's capital for €451 million, meaning that its value had increased 4.5-fold in the four years since the initial investment. The company's interest now stands at some 5% of the capital, valued at around €385 million based on the share price at March 31.

Completed in full cooperation with Huazhu, the deal allowed Accor to unlock the value created since the establishment of the partnership in January 2016, without calling its continuation into question. Its fruitful development and the growth momentum dating back four years have resulted in the opening of 266 economy and midscale hotels in China, mainly under the ibis, Novotel and Mercure brands.

As a reminder, Huazhu has 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 is to continue operating and developing these activities, while Accor will continue to develop and operate its luxury and premium brands in China (Sofitel, Pullman, MGallery and The Sebel). The partnership helped maintain the Group's growth in the region, with 170 hotels currently under negotiation and 254 hotels in the pipeline. At the end of 2019, the Group had a residual stake of approximately 5% in the capital of Huazhu.

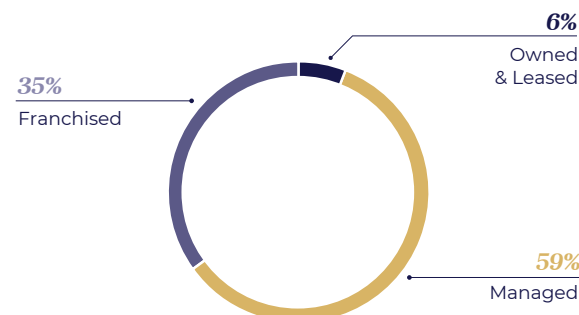
### An asset-light model centered on management contracts and franchise agreements

Over the past two years, the disposals of 70% of AccorInvest and 85.8% of Orbis and the sale and management-back of 16 Mövenpick hotels have significantly reduced the size of Accor's asset portfolio and its overheads (rents and investments). Owned and leased hotels now account for just 6% of the portfolio, down from 26% in 2017. With its asset-light profile, the Group now operates 59% of its network under management contracts and 35% under franchise agreements, thereby reducing the volatility of its earnings.

The remaining 6% of hotels correspond mainly to those operated under ownership and lease arrangements by Mantra in Australia, and hotels operated under variable leases in Brazil.

### Hotel portfolio by operating structure at December 31, 2019

As a % based on number of rooms





Accor decides how to operate its hotels based on its priorities, constraints set by local laws and negotiations with hotel chains and real estate partners. Its strategy is to choose hotels' operating structure in accordance with:

- their positioning (luxury, premium, midscale or economy);
- the size of the country and type of economy (developed or emerging);
- their location (large, mid-size or small city);
- their return on capital employed;
- their earnings volatility;
- their EBIT margin.

In mature markets, Accor prefers asset-light operating structures based on:

- management contracts in the luxury segment;
- management contracts and franchise agreements in the premium segment;
- management contracts and/or franchise agreements in the midscale segment;
- franchise agreements in the economy segment in Europe.

In emerging markets, Accor focuses on:

- management contracts in the luxury and premium segments.

Type of fees	Management contract	Franchise agreement
Trademark	✓	✓
Base management	✓	
Incentive	✓	
Sales & Marketing	✓	✓
Distribution	✓	✓
Loyalty	✓	✓

**Hotel management contracts** are contracts under which owners entrust Accor with the operation of their hotel in order to optimize profitability. In this format, the owner chooses Accor to benefit from recognized hotel know-how and to capitalize on the attractiveness of its brands, its loyalty program, its sales performance and its marketing actions, as well as the power of its booking platform.

The hotel owner undertakes to allocate Accor budgets consistent with the objectives set, and to invest regularly in the hotel to maintain the standards of the brand. The owner is also responsible for the risks of operating the hotel, except in the event of gross negligence by Accor in its management. Accor does not own the hotels it operates, and therefore does not record their revenue or profits.

Management contracts cover long periods of 15 to 20 years for hotels in the luxury and premium segments, and approximately 15 years for hotels in the midscale and economy segments. A non-compete clause may also be included in the contract for luxury and premium hotels, prohibiting Accor, for a limited time and a given brand, from opening a hotel under the same brand as the hotel under management in the same locality. In addition, luxury and premium hotels are subject to performance targets as of the third year following their opening to the public. Accor is required to respect the following two cumulative criteria:

- generate at least 85% of the EBITDAR budgeted; and
- deliver revenue per available room (RevPAR) at least equal to 85% of that of comparable hotels (of the same category and within the same locality).

If the assigned objectives are not achieved over two consecutive years, Accor is deemed to be in default (but has a chance to remedy this), unless its shortcomings can be ascribed to one of the following factors: *force majeure*, work affecting the hotel or an economic factor detrimental to the hotel's business.

In all segments, Accor receives two types of compensation: (i) a management fee corresponding to a percentage of the revenue generated by the hotel, and a performance fee indexed to the hotel's EBITDAR; and (ii) fees for the various services including brand use, distribution, sales, marketing and the loyalty program.

**Franchise agreements** are contracts whereby Accor offers hotel owners access to a brand, as well as distribution, sales, marketing and loyalty services. Hotels also have access to other services, including the Group's centralized purchasing system and Académie Accor for employee training.

Accor is compensated in the form of trademark, distribution, sales, marketing and loyalty fees. Where applicable, it also receives fees for ancillary services. Guaranteeing the operational know-how, reputation and image of its brands, of which it sells the right to use, Accor is responsible for managing its network, training franchisees and providing technical and commercial support to ensure the proper implementation of its concepts.

Each brand has its own standards, and franchisees are removed from the network if they fail to comply with them; the main risk for Accor is loss of control of its brand and its image. The Group accordingly ensures compliance with the specifications through regular quality audits.

A percentage of the franchise fees paid by franchisees goes into a fund used for marketing, distribution and digital initiatives undertaken in the interest of the brands. Franchisee associations, mainly in France (62% of franchised hotels belonging to two non-profit associations dedicated to the Mercure and ibis brands) and Germany (40%), issue an advisory opinion on the use of these funds, but Accor is ultimately responsible for their allocation.

Laws governing franchisor status vary greatly from one country to another, where they exist at all. In France, franchise agreements and those bearing on all distribution and service networks are governed by the Doubin Act, which mainly covers the pre-contractual information that franchisors are required to provide, namely:

- the physical and legal identity of the franchisor and of the business manager;
- the franchisor's brand and trademarks;
- the franchisor's bank details;
- the track record and experience of the franchisor covering at least five years;
- the products/services market, growth outlook and financial statements;
- the network of operators.

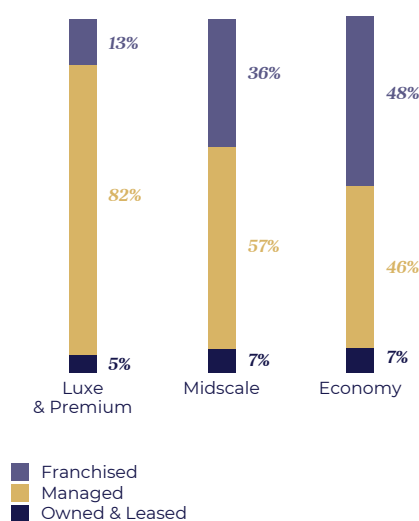
Franchise agreements are signed for an average term of 15 years. They can, however, be terminated early at the franchisor's request in some special cases, including:

- if the franchisee is legally incapable of performing the activity;
- if the franchisee fails to apply the terms of the contract with respect to the concept or supplies;
- if the franchisee provided false information about him or herself before signing the contract.

When the termination is at the initiative of the franchisor, it is entitled to claim financial compensation equivalent to the total amount of the remaining fees stipulated in the contract.

### Hotel portfolio by segment and operating structure at December 31, 2019

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<sup>(1)</sup>) and did not change the proportion of franchised hotels, it did significantly change the proportion of management contracts 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 contracts and franchise agreements now account for 93% of hotels in the economy segment (up 29 points vs. 2017), 93% in the midscale segment (up 20 points vs. 2017), and 94% in the luxury and premium segments (up 5 points vs. 2017). More specifically, the share of management contracts increased significantly to 81% in the luxury and premium segments (up 6 points vs. 2017), while the proportion of franchise agreements has fallen slightly to 13%. Management contracts represent 57% of contracts in the midscale segment (up 17 points vs. 2017) and 46% in the economy segment (up 23 points vs. 2017), while the proportion of franchise agreements was up slightly to 36% in the midscale segment (2% increase vs. 2017) and up to 48% in the economy segment (gain of 5 points vs. 2017).

(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<sup>(1)</sup> made by Accor from 2016 to 2019

Investment (in millions of euros)	2016 <sup>(1)</sup>	2017 <sup>(2)</sup>	2018 <sup>(1)</sup>	2019	% invested over the period
Asset portfolio	139	160	36	76	5.9%
Hotel acquisitions	2,625	108	1,803	108	62.6%
Acquisitions of new businesses	323	101	174	52	9.4%
Acquisitions of other businesses	0	46	24	45	1.7%
Digital plan	43	21	26	15	1.5%
Other	108	71	780	23	18.9%
<b>TOTAL</b>	<b>3,239</b>	<b>507</b>	<b>2,841</b>	<b>319</b>	<b>100.0%</b>

(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.

Investments made in 2019 were substantially below the levels seen in previous years, and broke down as follows:

- €108 million in additional equity investments in hotel chains, including Rixos Hotels and 25Hours ;
- €52 million in equity investments in the Ken Group and companies such as DailyPoint, Bizzon and SoyHuCe;
- €45 million in equity investments, notably in Group360 and Fever..

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

In recent years, Accor has invested €4.6 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 and 21c Museum represented an investment of €1.5 billion in 2018.

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

In its search for new markets and diversification, Accor has also entered into various hotel partnerships allowing it to broaden its range of hotel offers.

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

Over the last five 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. Last year, 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. In 2019, the Group's most significant partnerships were those with AccorInvest, 30%-owned (€1.05 billion), and Huazhu, 4.9%-owned (\$193 million). The hotel partnerships Accor establishes and maintains with other companies generally serve three specific objectives:

- increase the Group's revenue by expanding its network (number of hotels, geographic density), *i.e.*, the number of franchise agreements and management contracts, 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 touchpoints (qualitative approach) and combining its loyalty program with that of other partners (quantitative approach).

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 2019, Accor accordingly continued the initiatives launched in the last two years in the lifestyle segment, where value-creation potential remains intact.

### Reinforcement of the lifestyle portfolio

This segment reflects travelers' aspiration for 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 three 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 Accor acquired 21c Museum Hotels and formed a partnership with sbe Entertainment Group in 2018. The Group also continued to develop its portfolio of lifestyle brands in 2019, acquiring Tribe in the midscale segment.

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

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

Tribe establishments are lively places featuring a convivial lobby, rooms with premium comfort and advanced technologies. They offer traditional accommodation experiences by allowing guests to work, live and play in contemporary surroundings.

Attentive to ease of use, esthetics and comfort, Tribe hotels enjoy a modern style featuring iconic objects giving the impression of a high-end universe, based on design and technology.

Eight openings are planned in Europe and Asia-Pacific by 2022, representing more than 1,500 rooms. Accor has also partnered with sbe to develop the House of Originals brand in the luxury & premium segment.

### Launch of The House of Originals, a lifestyle brand in the luxury & premium segment

The House of Originals is a collection of luxurious sbe establishments embodying a bold and inspiring spirit. This hotel collection will eventually include eleven locations in the United States and around the world, including the Sanderson and the St. Martins Lane in London, the Karakoy 10 in Istanbul and the Miami Beach Shore Club.

The House of Originals aims to create a community dedicated to its guests, based on a unique luxury experience and featuring sbe's iconic culinary offerings.

Accor's role is to establish the brand internationally by providing access for sbe customers and partners through its global distribution and supply infrastructure. The partnership has enabled Accor to enrich its catalogue with exclusive offers in a growing number of destinations, creating unforgettable experiences for demanding guests seeking trailblazing concepts.

**Launch of the greet brand in the economy and lifestyle segments**

Created early in 2019, the greet brand brings a singular touch to the Group's brand portfolio by allowing it to remain attentive to its partners and to offer its customers memorable and fresh experiences. Today's travelers want quality hotel experiences at an affordable price, but with a parallel quest for meaning in their purchases and their relationship with the world. In response, greet aims to be a community brand, committed and destandardized, in step with the times.

A new alternative hotel and sustainable tourism offering, greet combines environmental considerations, community outreach and thirst for authenticity. Multifaceted in its design and unique in its identity, the brand counts as one of its biggest strengths the ability to offer hotel owners a measure of freedom and considerable flexibility, while respecting three simple principles: reuse objects found in second-hand networks or through eco-responsible suppliers, recover curious decorative items, and (re) visit them in an offbeat style to give them a second life.

Today's radical changes in consumption patterns come with great expectations in terms of brand purpose, sustainable development policy and corporate social responsibility. In giving hotel owners greater flexibility and freedom, Accor's aim is to help its franchise partners create positive and virtuous hospitality, attentive to customers

and the new considerations taking hold in society. That is the reason for the creation of an ecosystem to assist hotel operators in renovating and boosting the value of their assets. Partnerships with key names will help each hotel showcase its specific second-chance approach, faithfully follow the brand's eco-solidarity line and step up the pace of the indispensable and pressing ecological and social transition. After the launch of a first hotel in Beaune in April, the Group aims to open 300 greet hotels in Europe by 2030.

Strengthening its lifestyle ecosystem, 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, Accor is enriching its catalogue of exclusive offers, with The House of Originals, Tribe and greet, available 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, supremely well-rounded brand portfolio**

At the end of 2019, 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 and Fairmont.

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.

Classic	Collections	Lifestyle	Resorts	Regional	
					LUXE
					PREMIUM
					MILIEU DE GAMME
					ECONOMIQUE

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 rich with performance-enhancing services

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

Over the past five years, Accor has committed €654 million to new businesses. 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 (onfinestay) and coworking spaces (Wojo, Mama Works), and expanded into digital services for independent hotels (D-Edge) 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; in 2019, it acquired 40.6% of Ken Group, an operator of upscale sports clubs in Paris.

### Acquisition of 40.6% of Ken Group, an upscale sports club operator in Paris

Dedicated to fitness, relaxation and wellbeing, the Ken Club is a 1,700-square-meter venue located on the banks of the River Seine between Trocadéro and the Maison de la Radio, with a restaurant and a spa. Unique in Paris, the prestigious location will further enrich the experiences that the Group can offer its customers, helping to make them as attractive as possible.

Representing 9% of Accor's capital expenditure from 2016 to 2019, 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, entertainment and sport.

OPTIMIZING THE TOP/BOTTOM LINE FOR HOTELS	LEVERAGING SQUARE METERS IN HOTELS	ENHANCING THE GUEST EXPERIENCE IN HOTELS
<p><b>VERYCHIC</b> Exclusive deals in exceptional hotels</p> <p><b>GEKKO GROUP</b> New distribution channels to reach more corporate and leisure guests</p> <p><b>d-edge</b> Digital distribution solutions for hotels</p> <p><b>ADORIA</b> Digital management solutions in F&amp;B</p> <p><b>ResDiary</b> Table reservation and management platform for restaurants</p>	<p><b>ACCOR LOCAL</b> Connect the hotel to its neighborhood with brunch, breakfast, fitness, yoga classes or a massage</p> <p><b>WOJO</b> Better meet the needs of nomad workers</p> <p><b>onepark</b> Optimize car park occupancy</p> <p><b>Grooms</b> Optimize kitchen occupancy</p>	<p><b>onfinestay</b> Over 5,000 luxury private rentals</p> <p><b>JOHN PAUL</b> Concierge service</p> <p><b>properly</b> Rental housekeeping and inspection tech platform</p> <p><b>KEN GROUP</b> Upscale sports clubs</p>

Complementing Accor's range of services in areas adjacent to the hotel industry, each of these activities fits into the Group's strategy of enriching the customer journey and increasing the number of touchpoints with a growing number of guests.

Through these acquisitions, Accor is mirroring trends in its industry and reinventing itself by leveraging new value-creation drivers. Each of them contributes to diversifying the Group's customer base, increasing the number of touchpoints 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.

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, make its IT systems more agile, and optimize the attractiveness of its loyalty program.

## *Investments to consolidate the Group's digital and retention 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 offers travelers and hotel owners 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. The Group boasts 250 million customers and 64 million members in its loyalty program – a number that is set to grow – thanks to its 39 brands and 80 partnerships;
- implementing high-quality support consisting of multiple distribution channels optimizing footfall in hotels, and the best solutions for optimizing their revenue, performance, profits, asset management and the personalization of experiences.

To this end, Accor entered into a partnership with Sabre in 2019 to create the first unified central reservation and property management platform for the international hotel sector.

### **Partnership with Sabre to develop the first unified technological platform dedicated to the hotel industry**

Sabre Corporation is the leading technology and software provider to the travel industry. In partnership with Accor, Sabre is to develop a new comprehensive property management suite that will integrate with its existing central reservation and property management systems for hotels of all sizes. These technologies will combine within a new highly flexible cloud-native platform built for and made available to hotel operators across all property classes and geographies.

As a partner, Accor will be Sabre's newest corporate hospitality customer, initially adopting Sabre's SynXis Central Reservation system and, ultimately, the new global technology platform for all of its brands and geographies.

Until now, hotel operators only had a limited choice of solutions. With that in mind, the objective is to redefine the hotel experience by designing tools that meet their

expectations. Once developed, the offer will encompass new-generation sales, distribution and order fulfillment solutions allowing hotel operators to increase their earnings by tapping other sources of revenue, and by offering personalized services going well beyond a room or a simple service for their customers.

The partnership will allow Accor to efficiently leverage existing and emerging technologies to accelerate the expansion of its hotel offering and reduce costs, both for hotel owners and for itself. The new technology is an opportunity to significantly improve the Group's operating activities, particularly in terms of hotel distribution, loyalty programs and relationships with hotel owners, and to allow hotel operators to benefit from technological innovations to drive their operational excellence, efficiency, savings and agility.

### **Partnership between D-Edge and dailypoint**

Accor subsidiary D-Edge, a supplier of reservation systems for hotels, and dailypoint™, a customer data management solution, have decided to join forces by combining the D-Edge CRS and the dailypoint™ CRM and customer data management platform to offer an integrated data management solution, dedicated to hotel operators.

With technology playing an increasingly critical role in the hotel industry, hotel operators are looking for all-in-one solutions covering the full range of their technological needs. The partnership aims to provide the market with a solution combining CRS and CRM, which will simplify the complexity of technology for hotel operators so that they can focus on their guests.

Key for operators, CRMs have become the benchmark in terms of customer management. The partnership will give D-Edge access to unique expertise in creating a centralized, automated customer profile, using the industry's most sophisticated data cleansing algorithms. In addition, specific artificial intelligence-driven processes will provide unique information about guests at all possible touchpoints.

This fully integrated solution will allow hotel operators to manage their customers' entire travel journey while significantly improving their sales through personalized and efficient customer data management.

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.

In recent years, 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

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.

### Diversification of the Group’s distribution channels

In recent years, the Group has diversified its distribution channels via the Gekko, VeryChic, ResDiary and Adoria distribution platforms in order to reach a wider pool of premium business and leisure customers, which are

otherwise difficult to access. It also forged strategic partnerships with Ctrip and Google in 2018, and with Alibaba in 2019.

### Partnership with Alibaba to develop joint initiatives to digitize global tourism

Accor has entered into a strategic partnership with Alibaba for the development of a range of digital apps and loyalty programs aimed at improving the consumer and traveler experience.

The partnership will leverage nearly 700 million consumers across the various Alibaba marketplaces by offering Chinese travelers better access to Accor’s international offers, and by ensuring the seamless integration of the Accor customer journey into Alibaba’s comprehensive ecosystem. Fliggy, Alibaba’s travel arm, will step in to take bookings for hotels, restaurants, entertainment and other lifestyle services. Payments may be made via Alipay, the digital payment service operated by Alibaba subsidiary Ant Financial.

Accor will bring an attractive hotel offer through a program dubbed “Haoke” geared toward Chinese travelers. Haoke, which means “Welcome” in Chinese, is an accreditation program ensuring that Accor’s hotels offer Chinese guests information in Chinese, Chinese dishes on menus, Chinese-speaking staff, and other services and payment systems tailored to their needs.

The partnership between Accor and Alibaba will also be instrumental in the rollout of ALL – Accor Live Limitless, the Group’s new lifestyle loyalty program, by enabling the very large number of Alibaba customers to access the program’s services and rewards. That will in turn help speed up its expansion in China and worldwide, drawing on the strength of its ecosystem, the great knowledge of its customers and the power of its digital marketing.

### Increased retention 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

Three years ago, Accor started rolling out the Accor Customer Digital Card database, which enables all Group hotels to share their knowledge of guests built up during their stays (consumption habits, special expectations in terms of reception, service, etc.). 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.



*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 gaining their support and long-term preference.

**The Group's ecosystem**



Promoting guest satisfaction is key for the Group 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 its image, or that of 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 loyalty 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 now combines the Group's distribution platform with a new experiential loyalty program, operational since December 2019.

As the new global digital loyalty platform, ALL – Accor Live Limitless seeks to 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 touchpoints. Program members are 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 are a source of value for the brands, whose reputation and attractiveness are 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 gains knowledge of its members' preferred touchpoints and their purchasing behavior, and is able to develop more targeted offers and messages. With a budget of €225 million, these initiatives generated an expense of €40 million in 2019, with €60 million expected in 2020 ahead of breakeven in 2021. Accor sees them adding €60 million to EBITDA by 2022 excluding the impact of the Covid-19 pandemic, and €75 million per year in the mid-term, 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.

**Partnerships to diversify loyalty circuits within ALL – Accor Live Limitless and boost its attractiveness**

**Enrichment of ALL with the integration of the Fairmont, Raffles and Swissôtel loyalty program rewards**

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.

**Development of ALL among Chinese travelers thanks to the strategic partnership with 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 130 million Chinese members, who benefit from earn, burn and other Group rewards worldwide, giving a boost to the hotels in the Accor network.

**Partnership with the Eurostar loyalty program, strengthening ALL among cross-Channel travelers**

In 2018, Accor 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.

**Integration of Luggage Free services into ALL**

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.

**Partnership with the Air France-KLM loyalty program, boosting ALL among airline passengers**

Serving people who travel by air and stay in hotels, Accor and Air France-KLM decided to strengthen their partnership by offering their respective members a dual reward system in Points and Miles during their travels and their stays. Points and Miles are convertible and redeemable in both loyalty programs, allowing members to capitalize on both groups' international geographic footprints.

In addition to reinforcing the attractiveness of their respective loyalty programs by providing current members with the advantage of conversion, Accor and Air France-KLM also gain a non-negligible amount of potential bookings from each other's loyalty club members. The partnership also makes Accor more a part of the daily lives of its members outside the world of hospitality, as does that with AEG, one of its major partners in the field of entertainment.

**Partnership with AEG, giving ALL members access to AEG's various international assets**

Accor and AEG, the world leader in sporting events and concerts, have agreed to strengthen their partnership following a global deal covering a number of AEG-operated venues, festivals and events.

Brokered with AEG Europe Global Partnerships, AEG's in-house division responsible for worldwide sales and the activation of naming rights and strategic partnerships, the deal comes on the heels of the ten-year naming contract concluded with the AccorHotels Arena in Paris in 2015, and gives Accor access not only to AEG's various international assets including the Qudos Bank Arena Sydney and the Barclaycard Arena Hamburg, but also to ticketing rights with AEG Presents UK and AEG Presents Asia, the American Express Presents BST Hyde Park festival and more.

The extension of the partnership boosts ALL's attractiveness and brings more benefits to its members, whether traveling or at home, by offering them the chance to redeem their ALL points for sporting and cultural events. It is part of the strategy of positioning ALL – Accor Live Limitless as a daily companion combining the full palette of rewards, services and experiences offered within the Accor universe. The Group's aim is to elevate the relationship with its customers, members and partners from transactional to emotional.

**Partnership with Grab, giving ALL members easier access to the benefits of GrabRewards, Southeast Asia's largest loyalty program (signed in 2020)**

Accor has also announced the conclusion of a strategic partnership with Grab, Southeast Asia's leading super app, to give ALL and Grab members access to a range of rewards and benefits, including the possibility of transferring their points across programs, making their travel more seamless.

Grab is a Singapore-based company that gives users access to a whole range of services from private taxis and deliveries to digital payments through its mobile application. Thanks to the partnership, Grab members will be able to use their GrabRewards points to access the entire Accor universe of hotels, bars, restaurants, nightclubs, sporting events, shows and food events, and to treat themselves to experiences in its 39 hotel chains. At the same time, ALL members will enjoy easier access to the numerous benefits of GrabRewards.

Grab's 36 million users will discover the wealth of ALL – Accor Live Limitless rewards when they sign up and use their GrabRewards for stays, meals, purchases and trips, all over the world.

More than 19 million of the 64 million ALL – Accor Live Limitless members worldwide live in Asia-Pacific.

**Partnership with Visa, opening up new payment possibilities for ALL members (signed in 2020)**

Today's consumers are skilled in digital technologies, and want rewards adapted to their expectations and offering experiences that are both unique and pioneering. That is why Accor and Visa, the world leader in digital payments, have formed an international partnership to open up new payment possibilities for ALL members.

The partnership will spur the creation of industry-leading loyalty and payment products by combining the Group's loyalty program with the Visa card in a new ALL Visa payment card. Members who request the card will be able to use it for their daily purchases, wherever it is accepted. Accor will work with Visa's partner financial and banking institutions in the main markets of Europe, North and South America, the Middle East and Asia-Pacific for the issuance of the card.

The card will offer members rewards matching their personal tastes, as well as the possibility of earning more loyalty points, whether during their stays at Accor hotels, or when making their purchases.

Offering numerous benefits to ALL – Accor Live Limitless members, the new initiative will strengthen the loyalty program and likely drive an increase in the number of members, a source of additional engagement with

Accor, prompting people to stay more frequently – and with greater ease – in its hotels.

The card will also allow Accor to maintain contact with its customers through the loyalty program, even when they are not staying in a hotel. It will give all members the opportunity to earn points, enjoy new experiences and spend more nights in hotels. Lastly, the cobranded card will promote customer engagement in hotels and will be an opportunity for ALL – Accor Live Limitless to recruit new members, while at the same time lifting their average spending.

***ALL – Accor Live Limitless, a guest loyalty tool reinforcing 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. Most of sales made directly on the Group's website are to loyalty program members, whose spending tends to increase as their status in the program rises, stimulated by the benefits granted.

Increasing the proportion of members within the loyalty program is therefore a strategic challenge for the Group, as it helps reinforce a significant part of its revenue base in an intensely competitive environment that would otherwise push members toward other players. In 2019, 31% of revenue from stays in the Group's hotels was generated by its loyalty program members. Accor 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>	2018*	2019
REVENUE	3,282	4,049
Operating expenses	(2,656)	(3,224)
EBITDA	626	825
Depreciation, amortization and provision expenses	(120)	(328)
EBIT	505	497
Share of net profit of associates and joint-ventures	80	3
EBIT INCLUDING PROFIT OF ASSOCIATES AND JOINT-VENTURES	585	501
Other income and expenses	(432)	177
OPERATING PROFIT	153	678
Financial result	(63)	(75)
Income tax	(109)	(138)
PROFIT FROM CONTINUING OPERATIONS	(19)	465
Profit from discontinued operations	2,303	20
<b>NET PROFIT OF THE YEAR</b>	<b>2,284</b>	<b>485</b>
· Group	2,233	464
· Minority interests	51	21
<i>(in millions of euros)</i>	2018*	2019
<b>Basic earnings per share</b>	<b>7.61</b>	<b>1.55</b>

\* Restated amounts in application of IFRS 5 (see note 2).

## Statements of financial position

### Assets

<i>(in millions of euros)</i>	Dec. 2018*	Dec. 2019
GOODWILL	2,068	1,995
OTHER INTANGIBLE ASSETS	3,053	3,049
PROPERTY, PLANT & EQUIPMENT	1,183	632
RIGHT-OF-USE ASSETS	–	531
NON-CURRENT FINANCIAL ASSETS	2,516	2,224
Deferred tax assets	199	218
Contract assets	174	216
Other non-current assets	4	4
<b>Non-current assets</b>	<b>9,197</b>	<b>8,869</b>
<b>Current assets</b>	<b>3,764</b>	<b>3,274</b>
Assets classified as held for sale	14	1,761
<b>ASSETS</b>	<b>12,975</b>	<b>13,904</b>

\* Restated amounts following the finalization of purchase price allocation of groups acquired in 2018 (see note 7.1).

### Liabilities and shareholders' equity

<i>(in millions of euros)</i>	Dec. 2018*	Dec. 2019
<b>Shareholders' equity – Group share</b>	<b>6,328</b>	<b>6,830</b>
<b>Shareholders' equity</b>	<b>6,443</b>	<b>6,978</b>
<b>Non-current liabilities</b>	<b>3,484</b>	<b>4,001</b>
<b>Current liabilities</b>	<b>3,042</b>	<b>2,080</b>
Liabilities associated with assets classified as held for sale	6	845
<b>EQUITY AND LIABILITIES</b>	<b>12,975</b>	<b>13,904</b>

\* Restated amounts following the finalization of purchase price allocation of groups acquired in 2018 (see note 7.1).

## Parent company financial review

**Revenue** from all of the Company's operations amounted to €1,217.9 million in 2019, compared with €992.3 million the year before. This 22.7% or €225.6 million increase reflected the invoicing of loyalty fees following the transfer of all assets and liabilities of Profid to Accor on June 30, 2019, but also the implementation of a new business model for intercompany invoicing.

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

In 2019, **own work capitalized, reversals of depreciation, amortization and provisions and expense transfers, and other income** amounted to €172.8 million compared to €66.6 million in 2018. This €106.2 million increase is attributable chiefly to a €21.4 million increase in the value of own work capitalized, and reversals of depreciation, amortization and provisions and transfers of charges in the amount of €86.3 million, offsetting a €1.6 million decline in other recurring management income.

**Operating expenses** stood at €1,446.1 million in 2019 compared to €1,177.6 million in 2018. This €268.5 million increase is attributable primarily to a €261.2 million increase in other purchases and external charges. Wages and salaries increased by €21.3 million. Depreciation, amortization and provision expense was down €27.1 million, with declines of €29.8 million in provisions for contingencies and charges and €7 million in debt provisions offsetting a €9.7 million increase in depreciation and amortization. Other operating expenses increased by €9.9 million, including €8.8 million in Soluxury fees.

**Operating loss** in 2019 amounted to €55.4 million, compared with €118.7 million in 2018, representing a decrease in the loss of €63.3 million.

**Net financial income** came out at €274.4 million in 2019, compared with €69.6 million in 2018, a €204.8 million increase mainly reflecting the decline in dividend payments from subsidiaries, the increase in reversals of impairment on subsidiaries, and the reduction in impairment losses on subsidiaries.

In 2019, dividend income amounted to €238.8 million compared with €525 million the year before. The decline is related to the non-recurrence of dividend payments.

**Total provision movements** included in net financial income and expense, represented net income of €87.1 million in 2019, compared with a net expense of €357.5 million in 2018. Total financial provision movements mainly concern impairments of subsidiaries. The most significant impairments were €75.4 million on Actimos securities, €30.9 million on those of Accorhotels Middle East and Africa, and €18 million on those of Accor SBE Acquisition Corp, while the largest reversals were €171 million on Accorhotels Belgium securities, €57 million on those of Accor UK and €16.9 million on those of Startom Hospitality.

**Recurring income before tax** of €219.4 million was recorded in 2019, compared with an expense of €49.1 million in 2018.

**Net non-recurring expense** totaled €30.3 million for the year ended December 31, 2019, *versus* €30.5 million for the prior year.

**Income tax** included group relief of €13.2 million and an income tax benefit of €6 million, compared with group relief of €21.3 million and income tax expense of €2 million in 2018.

Accor SA ended the year with a **net profit of €208.4 million**, *versus* a net loss of €60.3 million in 2018.

## Parent company five-year financial summary

<i>(in millions of euros)</i>	2015	2016	2017	2018	2019
<b>Capital at year-end</b>					
Share capital	706	854	870	848	813
Number of shares in issue	235,352,425	284,767,670	290,122,153	282,607,800	270,932,350
<b>Results of operations</b>					
Net revenues	881	895	915	992	1,218
Profit before tax, depreciation, amortization and provisions	209	(879)	3,596	362	90
Income tax	(20)	(24)	(60)	(19)	(19)
Net profit (loss)	130	(9)	3,698	(60)	208
Dividends	235	299	305	297	284 <sup>(1)</sup>
<b>Per-share data</b> <i>(in euros)</i>					
Earnings (loss) per share after tax, before depreciation, amortization and provisions	0.97	(3.01)	12.60	1.35	0.40
Earnings (loss) per share	0.55	(0.03)	12.75	(0.21)	0.77
Dividend per share (before tax credit/allowance)	1.00	1.05	1.05	1.05	1.05 <sup>(1)</sup>
<b>Employees</b>					
Number of employees	1,145	1,275	1,285	1,343	1,419 <sup>(2)</sup>
Total payroll and employee benefits	133	149	152	171	196

(1) After the date of approval of the financial statements, in light of the ongoing health crisis, the Board of Directors has decided not to propose a dividend to its shareholders in respect of 2019.

(2) Number of employees on the Accor SA payroll at December 31, 2019.

# Agenda

## Combined Ordinary and Extraordinary Shareholders' Meeting of June 30, 2020

---

### **Covid-19 information – Shareholders' Meeting behind closed doors**

At its meeting on April 30, 2020, the Board of Directors decided that, exceptionally, the Shareholders' Meeting would be held behind closed doors, without any shareholders or other eligible persons in physical attendance. The decision was necessary in order to comply with government restrictions on gatherings and the related social distancing and other public health guidelines. The decision also complies with (i) Article 4 of Order No. 2020-321 dated March 25, 2020 amending the rules governing the organization and decision processes for shareholders' meetings and meetings of the governance structures of private sector entities due to the Covid-19 epidemic, and (ii) the related Decree No. 2020-418 dated April 10, 2020.

You are invited to check the Shareholders' Meeting page on the Company's website <https://group.accor.com>, which will be updated regularly with details of the procedure for participating in the Shareholders' Meeting and/or the changes made to comply with any new legal and regulatory measures that may be introduced after publication of this Notice of Meeting.

The Meeting will be broadcast live on the Company's website.

Shareholders are invited to participate in the Combined Ordinary and Extraordinary Shareholders' Meeting to be held behind closed doors at the Company's headquarters at 10:00 a.m. CEST on June 30, 2020, without any shareholders or other eligible persons in physical attendance. The agenda of the Meeting is as follows:



# Agenda

## Ordinary resolutions

**First resolution:** approval of the parent company financial statements and the reports thereon for the year ended December 31, 2019

**Second resolution:** approval of the consolidated financial statements and the reports thereon for the year ended December 31, 2019

**Third resolution:** appropriation of 2019 profit

**Fourth resolution:** re-election of Mr. Sébastien Bazin as a director

**Fifth resolution:** re-election of Mrs. Iris Knobloch as a director

**Sixth resolution:** election of Mr. Bruno Pavlovsky as a director

**Seventh resolution:** approval of a related-party agreement with Paris Saint-Germain Football SASP

**Eighth resolution:** ratification, to the extent necessary, of the re-appointment of Ernst & Young et Autres

**Ninth resolution:** approval of the report on the compensation of executive officers for the year ended December 31, 2019 (*ex post* say on pay)

**Tenth 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, 2019 (*ex post* say on pay)

**Eleventh resolution:** approval of the compensation policy applicable to the Chairman and Chief Executive Officer for 2020 (*ex ante* say on pay)

**Twelfth resolution:** approval of the compensation policy applicable to members of the Board of Directors for 2020 (*ex ante* say on pay)

**Thirteenth resolution:** authorization for the Board of Directors to trade in the Company's shares

## Extraordinary resolutions

**Fourteenth 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 without pre-emptive subscription rights for existing shareholders

**Fifteenth resolution:** amendments to the Bylaws

## Ordinary resolutions

**Sixteenth 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

**Seventeenth resolution:** powers to carry out formalities

# ***Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on June 30, 2020***

---

## ***Approval of the parent company and consolidated financial statements for the year ended december 31, 2019***

The purpose of the **first resolution** is to approve the parent company financial statements of Accor for the year ended December 31, 2019 and the report thereon, as approved by the Board of Directors at its meeting of February 19, 2020, which show a net profit of €208,483,019.14.

The Shareholders' Meeting will also be asked to note the absence of non-deductible charges and expenses for the year ended December 31, 2019.

In the **second resolution**, shareholders are invited to approve the consolidated financial statements of the Accor Group for the year ended December 31, 2019, and the report thereon, which show consolidated revenue of €4.049 billion and net profit, Group share of €464 million.

The details of the financial statements can be found in the Company's 2019 Universal Registration Document.

## ***Appropriation of profit for the year ended december 31, 2019***

the purpose of the **third resolution** is to appropriate the Company's 2019 profit.

In light of the exceptional circumstances caused by the Covid-19 pandemic, the Board of Directors decided on April 2, 2020 to reverse its recommendation to pay a total dividend of €284 million for 2019.

It has been decided to allocate 25% of the planned dividend (€70m) to the launch of the ALL Heartist Fund, a Covid-19 special purpose vehicle. This fund will typically assist:

- the Group's 300,000 employees, pledging to pay for their COVID-19-related hospital expenses, for those who do not have social security or medical insurance,

- on a case by case basis, furloughed employees suffering great financial distress,
- on a case by case basis, individual partners facing financial difficulty.

In addition, the Group will further deploy its solidarity initiatives to support front-line healthcare professionals and non-profit organizations.

The Board of Directors is now recommending to the Shareholders' Meeting that the Company's total profit for the year, in the amount of €208,483,019.14, be appropriated to retained earnings, raising the total of €3,241,652,856.02.

## ***Re-elections of directors and election of a director***

In the **fourth and fifth resolutions**, shareholders are invited to re-elect Sébastien Bazin and Iris Knobloch as directors for three-year terms (as provided for in the Company's Bylaws), expiring at the close of the Annual Shareholders' Meeting to be called to approve the 2022 financial statements.

Details of the backgrounds of the members of the Board of Directors to be re-elected are set out below. In addition, full information about these directors, including the list of their other positions and directorships, is provided in

the Company's 2019 Universal Registration Document (see Chapter 3 – Corporate Governance Report).

**Sébastien Bazin** began his career in the US finance industry in 1985 before joining Colony Capital, a private-equity firm, in 1997 to set up and develop its European operations. During his 15 years with the firm, he managed and participated in a large number of investments in the hospitality industry (including the acquisition of luxury hotel chains Fairmont and Raffles), the acquisition and management of hotel assets from Compagnie Générale des Eaux and Club Méditerranée, the acquisition of

an equity stake in the Lucien Barrière Group, and the investment in Accor. He is also Vice-Chairman of the Supervisory Board of the Gustave Roussy Foundation. Sébastien Bazin has a Masters in Business Management from Paris-Sorbonne University.

Sébastien Bazin, Chairman and Chief Executive Officer, has been a member of the Company's Board of Directors since January 9, 2006. He was previously a member of the Supervisory Board from May 3, 2005.

**Iris Knobloch** is President of Warner Bros Entertainment France, with responsibility for overseeing all of the Group's activities in France and Benelux, and the strategic development of the business in Africa. Prior to taking up this position, she spent 18 years in various sales and marketing positions with Warner Bros and was responsible for Time Warner's international relations and strategic policy. Before that, Iris Knobloch was an attorney with Norr, Stiefenhofer & Lutz and O'Melveny & Myers in Munich, New York and Los Angeles. Iris Knobloch has a J.D. degree from Ludwig-Maximilians Universität Munich and an L.L.M. degree from New York University.

Iris Knobloch, President of Warner Bros. Entertainment France, has been a member of the Company's Board of Directors since April 25, 2013.

If they are re-elected, the Board plans to confirm Sébastien Bazin as Chairman and Chief Executive Officer and Iris Knobloch as Vice-Chairman of the Board and Senior Independent Director.

The **sixth resolution** concerns the election of Bruno Pavlovsky as independent director for a three-year term (as provided for in the Company's Bylaws), expiring at the close of the Annual Shareholders' Meeting to be called to approve the 2022 financial statements.

**Bruno Pavlovsky** began his career with Deloitte, before joining Chanel in 1990. He is currently Chairman of Chanel SAS and Chanel's President of Global Fashion. He is also President of Chanel's Métiers d'Art unit, Chairman of Eres, Vice Chairman of Chambre Syndicale de la Mode Féminine, Chairman of the Comité Colbert's Commission Influence et Politiques Publiques and Chairman of Fondation de l'Institut Français de la Mode. Bruno Pavlovsky is a graduate of the Bordeaux Ecole Supérieure de Commerce and holds an MBA from Harvard Business School.

At the close of the Shareholders' Meeting and subject to the approval of the **fourth, fifth and sixth resolutions**, 40% of the Board members will be women and 50% of the Board members will be independent directors.

## *Related-party agreements and commitments*

The purpose of the **seventh resolution** is to approve a related-party agreement with SASP Paris Saint-Germain, a company controlled by Qatar Investment Authority which is a shareholder of the Company and has a seat on the Board of Directors. This agreement is presented in the Statutory Auditors' special report.

It consists of a partnership agreement signed on February 21, 2019, under which the Paris Saint-Germain Football

Club's team kit will feature the ALL (Accor Live Limitless) logo. This will enable the ALL brand to achieve global visibility and benefit from the high media profile enjoyed by the Club and its players. It also offers an opportunity for the Group to propose unique experiences to its loyalty program members, such as going to a match or meeting the players.

## *Ratification, to the extent necessary, of the re-appointment of Ernst & Young et Autres*

In the twelfth resolution of the Shareholders' Meeting of April 30, 2019, there was a typing error in the name of one of the firms re-appointed as Statutory Auditor. The resolution should have referred to Ernst & Young et Autres, who have served as one of the Company's Statutory Auditors since 1995, and not Ernst & Young et Associés. The Company corrected this error in a press release published on its website on July 30, 2019.

The purpose of the **eighth resolution** is to ratify, to the extent necessary, the re-appointment of Ernst & Young et Autres as Statutory Auditor, as approved in the twelfth resolution of the Annual Shareholders' Meeting of April 30, 2019, for a further six-year term expiring at the close of the Shareholders' Meeting called in particular to approve the 2024 financial statements.

## *Approval of the report on the compensation of executive officers for the year ended December 31, 2019 (ex post say on pay)*

In application of Article L.225-100 II of the French Commercial Code, the purpose of the **ninth resolution** is to submit for shareholder approval the report on the compensation of executive officers (including members

of the Board of Directors) for the year ended December 31, 2019, as presented in the Corporate Governance Report included in the Company's 2019 Universal Registration Document.

## **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, 2019 (ex post say on pay)**

In application of Article L.225-100 III of the French Commercial Code, the purpose of the **tenth resolution** is to submit for shareholder approval 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, 2019, as presented

in the Corporate Governance Report included in the Company's 2019 Universal Registration Document and in the appendix to this report.

The payment of the items of variable compensation due to Sébastien Bazin for the year ended December 31, 2019 is subject to the approval of this resolution.

## **Approval of the compensation policy applicable to members of the Board of Directors for 2020 (ex ante say on pay)**

In application of Article L.225-37-2 II of the French Commercial Code, the purpose of the **eleventh** and **twelfth resolutions** is to submit for shareholder approval the compensation policy applicable to, respectively, the Chairman and Chief Executive Officer and the other members of the Board of Directors for 2020. This compensation policy is presented in the Corporate Governance Report included in the Company's 2019 Universal Registration Document.

As of early April, given the extent of the health crisis, the members of the Board of Directors have collectively decided to reduce their attendance fees by 20% to the benefit of the ALL Heartist Fund. Additionally, the Board of Directors has accepted the proposal of Sébastien Bazin, Chairman and CEO of Accor, to forego 25% of his fix compensation during the health crisis. The cash equivalent will also be contributed to the ALL Heartist Fund.

Pursuant to Article L. 225-37-2 of the French Commercial Code, if these resolutions were not approved, the compensation policy approved at the Shareholders' Meeting of April 30, 2019 would continue to apply.

## **Authorization to buy back and cancel shares**

in the **thirteenth 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, for the purposes and subject to the conditions set out in the applicable regulations, including the General Regulations of the French securities regulator (*Autorité des marchés financiers*).

Pursuant to this authorization, the Company would not be able to buy back Accor shares representing more than 10% of the share capital outstanding on the buyback date and the maximum per-share purchase price would be set at €70.

The buyback program would be used solely for the purposes defined by law, as described in the resolution. The Company could use the authorization to buy back shares for cancellation, for external growth transactions (for up to 5% of the share capital), to make a market in Accor shares or for delivery under performance share plans.

In February 2018, the Company announced a major two-year buyback program. In 2018, €350 million was invested in the first tranche of the program and a second €500 million tranche was launched in December 2018 that was completed in the first quarter of 2019. On March 24, 2020, Accor announced the completion of the share buyback program launched on January 20, 2020 for an amount of €300 million. At completion, the Group had acquired 10,175,309 shares at an average price of €29.48.

The liquidity contract signed with Rothschild Martin Maurel, which had been suspended since March 3, 2020, was reactivated since March 24, 2020.

The Board of Directors could not use this authorization while a public offer for the shares of the Company was in progress, and any buyback program in progress when the offer was launched would be suspended for the duration of the offer period, except to fulfill pre-offer delivery commitments.

## Employee share issue

The purpose of the **fourteenth 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 outstanding on the date of the Board's decision to launch the issue.

The price at which the shares would be offered to employees would be determined in accordance with the applicable legislation.

Following the SHARE 17 employee share ownership plan, a new plan (SHARE 19) was launched in 2019 for eligible Group employees in twelve countries. Details of the number of shares purchased under the plan are provided in the 2019 Universal Registration Document.

The fourteenth resolution is being presented in order to comply with Article L.225-129-6 of the French Commercial Code; the Board does not intend to launch a new employee share ownership plan in 2020.

## Amendments to the Bylaws

The purpose of the **fifteenth resolution** is to amend Articles 12 and 15 of the Bylaws to reflect the provisions of the law of May 22, 2019 on corporate growth and transformation ("Pacte Law"), and the law of July 20, 2019 simplifying French company law.

Point 2 of Article 12 of the Bylaws would be amended to lower the threshold beyond which the Board of Directors must have two directors representing employees, to eight directors from twelve previously. The Board of Directors has included two women directors representing employees since January 2018.

Article 15 of the Bylaws would be amended to take advantage of the possibility offered by a change in the law by allowing the Board to choose to make certain decisions based on a written consultation of members. Examples of the decisions concerned include the transfer of the Company's registered office to a new location in the same *département*, the appointment of directors in certain circumstances, authorizations to issue guarantees, amendments to the Bylaws to comply with new laws and the calling of Shareholders' Meetings.

## 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

In the **sixteenth 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.

The authorization would be given for a period expiring at the end of the offer period of any public offer for the shares of the Company made within 12 months of this Meeting.

## Powers to carry out formalities

Lastly, the purpose of the **seventeenth 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

### Say on pay 2019 for the Chairman and Chief Executive Officer

The compensation paid or awarded to the executive officer for 2019 complies with the compensation policy approved by the Annual Shareholders' Meeting of April 30, 2019 in application of Article L. 225-37-2 of the French Commercial Code, as presented in section 3.5.1 of the 2018 Registration Document.

The fixed, variable and exceptional components of the total compensation and benefits paid in or awarded in respect of 2019 to the Chairman and Chief Executive

Officer, as presented below, will be submitted to the 2020 Annual Shareholders' Meeting for approval, in accordance with Article L. 225-100-III of the French Commercial Code.

In accordance with Article L. 225-100-II of the French Commercial Code, the compensation paid to directors, presented on page 241 of this Universal Registration Document, will also be submitted to the Annual Shareholders' Meeting for approval.

Compensation paid in or awarded in respect of 2019	Amounts (or accounting value) submitted to the vote	Description
Annual fixed compensation	€950,000	<p>Sébastien Bazin's annual fixed compensation for 2019 was decided by the Board of Directors at its meeting on December 20, 2018, based on the recommendation put forward by the Appointments, Compensation &amp; CSR Committee.</p> <p>It complies with the 2019 compensation policy approved by the Annual Shareholders' Meeting of April 30, 2019, as presented in section 3.5.1 of the 2018 Registration Document.</p> <p>It was paid in monthly installments during 2019.</p>
2019 annual variable compensation	€1,126,113	<p>According to the 2019 compensation policy approved by the Annual Shareholders' Meeting of April 30, 2019, Sébastien Bazin's variable compensation 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 20, 2018 and presented below.</p> <p><b>Quantitative objectives:</b></p> <ul style="list-style-type: none"> <li>consolidated EBITDA in line with the 2019 budget (25% weighting);</li> <li>free cash flow (excluding disposals and acquisitions) after change in operating working capital in line with the 2019 budget (25% weighting);</li> <li>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);</li> <li>Accor's TSR versus the TSR of other CAC 40 companies (10% weighting);</li> <li>a combination of three criteria: guest experience, level of employee engagement, and sustainable development and CSR performance (10% weighting).</li> </ul> <p><b>Qualitative objectives:</b></p> <ul style="list-style-type: none"> <li>strategic vision and identification of strategic options (10% weighting);</li> <li>implementation of the post-Booster organization and change in Group businesses (10% weighting).</li> </ul> <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 19, 2020 the Board set his variable compensation for 2019 at €1,126,113, breaking down as:</p> <ul style="list-style-type: none"> <li>• <b>€838,613 for the quantitative objectives</b>, which were 83.9% met overall (0% for Accor's TSR versus the TSR of eight other international hotel groups, 0% 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] after change in operating working capital), were exceeded. Lastly, the objectives concerning the Group's internal ambitions, i.e., (i) objective related to the guest experience and (ii) objectives related to employee engagement and sustainable development and CSR performance, were also exceeded.</li> </ul>

**Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on June 30, 2020**

Compensation paid in or awarded in respect of 2019	Amounts (or accounting value) submitted to the vote	Description
2019 annual variable compensation		<p>• <b>€287,500 for qualitative objectives</b>, which were 115% met overall (120% for strategic vision and identification of strategic options, and 110% in respect of the successful implementation of the new post-Booster organization and change in Group businesses).</p> <p>The Board examined in detail the progress made in establishing the new organization and the skills needed for its deployment. It noted that no time had been lost in setting up the post-Booster organization and change in Group businesses. The Board also recognized the Chairman and Chief Executive Officer's powerful and agile strategic vision, observing that this represented an essential quality in today's fast-changing hospitality industry.</p> <p>Consequently, Mr. Bazin's total variable compensation for 2019 represented 90% of the annual reference amount (and 119% of his fixed compensation for the year).</p> <p>Payment of this variable compensation for 2019 is subject to shareholder approval at the 2020 Annual Shareholders' Meeting.</p>
2018 exceptional bonus (paid in 2019)	Number of shares = 13,480 (€377,710)	<p>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 granted in 2019, following approval at the Annual Shareholders' Meeting of April 30, 2019. The number of shares granted in 2019 was determined based on a valuation of the accounting value at the issue date of the performance share plan on June 26, 2018.</p>
2019 performance shares (excluding exceptional bonus)	Number of shares = 67,810 (€1,900,036)	<p>On February 20, 2019, the Board of Directors decided to grant performance shares to executive officers of the Company and Group employees.</p> <p>In accordance with the 2019 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 30, 2019, 67,810 performance shares were granted to Sébastien Bazin, representing 200% of his gross annual fixed compensation (and 0.0250% of the Company's share capital at December 31, 2019). The performance conditions attached to the shares are as follows:</p> <ul style="list-style-type: none"> <li>• actual <i>versus</i> budgeted consolidated EBITDA (60% weighting);</li> <li>• actual <i>versus</i> budgeted free cash flow (excluding disposals and acquisitions) after change in working capital (20% weighting);</li> <li>• change in Accor's Total Shareholder Return (TSR) <i>versus</i> the Stoxx Europe 600 Travel &amp; Leisure Gross Return index (20% weighting).</li> </ul> <p>The performance conditions under the plans will be measured at the end of the three-year vesting 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>Concerning the external performance condition (increase in Accor's TSR compared with that of the Stoxx Europe 600 Travel &amp; Leisure Gross Return), the shares will vest if the achievement rate is at least 90%. The achievement rate 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 granted shares to vest. Subject to the performance condition achievement rates, Sébastien Bazin will have to continue to serve as the Company's Chairman and Chief Executive Officer without interruption until May 31, 2022, except in the case of his death, disability or retirement before that date. If he steps down from this position, all of the shares initially granted will be forfeited, whatever the performance condition achievement rates, unless otherwise decided by the Board of Directors.</p>

**Presentation of the proposed resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting on June 30, 2020**

Compensation paid in or awarded in respect of 2019	Amounts (or accounting value) submitted to the vote	Description
Directors' fees	N/A	Sébastien Bazin does not receive any directors' fees.
Benefits in kind	€57,861	In accordance with the 2019 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 30, 2019, 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 2019.
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 2019 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 30, 2019, 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"> <li>• consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital;</li> <li>• operating free cash flow must have been positive in at least two of the previous three years;</li> <li>• like-for-like EBITDAR margin must have exceeded 27.5% in at least two of the previous three years.</li> </ul> <p>These performance criteria would be applied as follows:</p> <ul style="list-style-type: none"> <li>• if all three criteria were met, the compensation would be payable in full;</li> <li>• if two of the three criteria were met, half of the compensation would be payable;</li> <li>• if none or only one of the three criteria were met, no compensation would be due.</li> </ul> <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 2019.</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 June 30, 2020**

Compensation paid in or awarded in respect of 2019	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 2019 executive officer compensation policy approved by the Annual Shareholders' Meeting of April 30, 2019.</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"> <li>• Article 83 plan: Sébastien Bazin, as executive officer 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 €10,131 in 2019.</li> <li>• Article 39 plan: Sébastien Bazin, as executive officer 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.</li> </ul> <p>His benefit entitlement is built up gradually and is calculated each year until December 31, 2019 for which he is a plan member based on his annual reference compensation, 2019 being the last year of calculation for potential benefits (in accordance with Order No. 2019-697 dated July 3, 2019). 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"> <li>• portion of reference compensation representing between 4 and 8 times the PASS: 1%;</li> <li>• portion of reference compensation representing between 8 and 12 times the PASS: 2%;</li> <li>• portion of reference compensation representing between 12 and 24 times the PASS: 3%;</li> <li>• portion of reference compensation representing between 24 and 60 times the PASS: 2%.</li> </ul> <p>Based on recommendations put forward by the Appointments, Compensation &amp; CSR Committee, the Board of Directors decided to make payment of the annuity payable under the supplementary defined benefit plan subject to the following two performance conditions:</p> <ul style="list-style-type: none"> <li>• actual <i>versus</i> budgeted consolidated EBITDA (50% weighting);</li> <li>• actual <i>versus</i> budgeted free cash flow (excluding disposals and acquisitions) after change in operating working capital (50% weighting).</li> </ul> <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"> <li>• the amount of the gross annuity may not exceed 30% of the member's last annual reference compensation;</li> <li>• 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.</li> </ul>

# Proposed resolutions submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting of June 30, 2020

## Ordinary resolutions

### FIRST RESOLUTION

#### Approval of the parent company financial statements and the reports thereon for the year ended December 31, 2019

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, 2019, 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, 2019, pursuant to Article 39-(4) of the said Code.

### SECOND RESOLUTION

#### Approval of the consolidated financial statements and the reports thereon for the year ended December 31, 2019

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, 2019, as presented to it, as well as all transactions reflected in these financial statements and summarized in these reports.

### THIRD RESOLUTION

#### Appropriation of profit for the year ended December 31, 2019

Considering the exceptional circumstances arising from the Covid-19 pandemic, the Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having noted that the financial statements for the year ended December 31, 2019, as approved by this Meeting, show net profit for

the year of €208,483,019.14 and retained earnings at December 31, 2019 of €3,033,169,836.88, **approves** the recommendation of the Board of Directors and resolves to appropriate net profit for the year in full to retained earnings, and accordingly to increase retained earnings to €3,241,652,856.02.

The Shareholders' Meeting **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	2016	2017	2018
Total dividend (in euros)	299,006,053.50	304,628,260.65	296,738,190
Dividend per share (in euros)	1.05	1.05	1.05

### FOURTH RESOLUTION

#### Re-election of Mr. Sébastien Bazin 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 Sébastien Bazin, 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 in particular to approve the 2022 financial statements.

### FIFTH RESOLUTION

#### Re-election of Mrs. Iris Knobloch 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 Iris Knobloch, 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 in particular to approve the 2022 financial statements.

#### SIXTH RESOLUTION

##### Election of Mr. Bruno Pavlovsky 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, **elects** as a director Bruno Pavlovsky, for a three-year term expiring at the close of the Shareholders' Meeting called in particular to approve the 2022 financial statements.

#### SEVENTH RESOLUTION

##### Approval of a related-party agreement with Paris Saint-Germain Football SASP

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 Paris Saint-Germain Football SASP.

#### EIGHTH RESOLUTION

##### Ratification, to the extent necessary, of the re-appointment of Ernst & Young et Autres

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, having considered the report of the Board of Directors, **ratifies**, to the extent necessary, the re-appointment of Ernst & Young et Autres as a Statutory Auditor, as approved in the twelfth resolution of the Annual Shareholders' Meeting of April 30, 2019, for a further six-year term expiring at the close of the Shareholders' Meeting called in particular to approve the 2024 financial statements.

#### NINTH RESOLUTION

##### Approval of the report on the compensation of executive officers for the year ended December 31, 2019 (ex post say on pay)

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, **approves**, in application of Article L. 225-100-II of the French Commercial Code, the information referred to in Article L. 225-37-3-I of the French Commercial Code, as presented in the Company's corporate governance report included in the 2019 Universal Registration Document of the Company.

#### TENTH 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, 2019 (ex post say on pay)

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, **approves**, in application of Article L. 225-100-III of the French Commercial Code, 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, 2019, as presented in the Company's corporate governance report included in the 2019 Universal Registration Document of the Company, as well as in the appendix to the Board of Directors' report on the resolutions.

#### ELEVENTH RESOLUTION

##### Approval of the compensation policy applicable to the Chairman and Chief Executive Officer for 2020 (ex ante say on pay)

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, **approves**, in application of Article L. 225-37-2-II of the French Commercial Code, the compensation policy applicable to the Chairman and Chief Executive Officer, as presented in the Company's corporate governance report included in the 2019 Universal Registration Document of the Company.

#### TWELFTH RESOLUTION

##### Approval of the compensation policy applicable to members of the Board of Directors for 2020 (ex ante say on pay)

The Shareholders' Meeting, voting under the quorum and majority conditions of ordinary shareholders' meetings, **approves**, in application of Article L. 225-37-2-II of the French Commercial Code, the compensation policy applicable to members of the Board of Directors, as presented in the Company's corporate governance report included in the 2019 Universal Registration Document of the Company.

### THIRTEENTH 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, and pursuant to Article L. 225-209 *et seq.* of the French Commercial Code:

1. **authorizes** the Board of Directors, with the power to subdelegate, to trade in the Company's ordinary shares. 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 approved at the Shareholders' Meeting on April 30, 2019, 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 Article L. 225-197-1 *et seq.* of the French Commercial Code, employee savings (or similar) plans under Article L. 3332-1 *et seq.* of the French Labor Code, and stock option plans under Article 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 purchase shares representing up to 5% of the Company's capital to be held in treasury for subsequent remittance in exchange or payment in connection with external growth transactions, a merger, demerger or asset contribution,
  - to make a market in the Company's shares under a liquidity contract with an investment services provider that complies with decision No. 2018-01 dated July 2, 2018 of the French securities regulator (*Autorité des Marchés Financiers* – AMF), and all other provisions referred to in said decision,
  - 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 on the date the authorization is used 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 in 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 until the close of the offer period, except to execute it in order to satisfy a delivery of securities 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

### FOURTEENTH 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, as well as the additional Board of Directors' report and Statutory Auditors' special report regarding the use of resolution twenty-nine and thirty of the Shareholders' Meeting of April 30, 2019 and in accordance with Article 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. **resolves** 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 subdelegate 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. **resolves** 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.

**FIFTEENTH RESOLUTION**

**Amendments to the Bylaws**

The Shareholders' Meeting, voting under the quorum and majority conditions of extraordinary shareholders' meetings, having considered the report of the Board of Directors, **decides** to amend Articles 12.2 and 15 of the Company's Bylaws (the amended texts are presented in bold type):

Previous wording	New wording
<p>ARTICLE 12 – ADMINISTRATION OF THE COMPANY</p> <p><b>1. Directors elected by shareholders</b></p> <p>[...]</p> <p><b>2. Employee representative directors</b></p> <p>If the Company has twelve or fewer directors elected by shareholders, one employee representative director shall be appointed by the trade union that obtains the most votes in the first round of trade union elections, as referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code, held within the Company and its direct and indirect subsidiaries whose registered offices are located in France.</p> <p>If the Company has more than twelve directors, a second employee representative director shall be appointed by the Group's European Works Council.</p> <p>If, during a given year, the number of shareholder-elected directors increases to above twelve, the European Works Council shall appoint the second employee representative director within a reasonable timeframe after the Annual Shareholders' Meeting at which the election of the new Board member(s) took place.</p> <p>If the number of shareholder-elected directors falls to twelve or below during the term of office of the second employee representative director appointed by the European Works Council, said employee representative director shall remain on the Board until the scheduled expiration date of his or her term of office. However, if at the end of the term of office of said employee representative director the number of Board members is still less than or equal to twelve then the number of employee representative directors shall be reduced to one.</p> <p>Incoming employee representative directors shall take up office on the expiration of the terms of office of outgoing employee representative directors. However, by way of exception, the Company's first employee representative directors shall take up office on date of their appointment.</p>	<p>ARTICLE 12 – ADMINISTRATION OF THE COMPANY</p> <p><b>1. Directors elected by shareholders</b></p> <p>[...]</p> <p><b>2. Employee representative directors</b></p> <p>If the Company has <b>eight</b> or fewer directors elected by shareholders, one employee representative director shall be appointed by the trade union that obtains the most votes in the first round of trade union elections, as referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code, held within the Company and its direct and indirect subsidiaries whose registered offices are located in France.</p> <p>If the Company has more than <b>eight</b> directors, a second employee representative director shall be appointed by the Group's European Works Council.</p> <p>If, during a given year, the number of shareholder-elected directors increases to above <b>eight</b>, the European Works Council shall appoint the second employee representative director within a reasonable timeframe after the Annual Shareholders' Meeting at which the election of the new Board member(s) took place.</p> <p>If the number of shareholder-elected directors falls to <b>eight</b> or below during the term of office of the second employee representative director appointed by the European Works Council, said employee representative director shall remain on the Board until the scheduled expiration date of his or her term of office. However, if at the end of the term of office of said employee representative director the number of Board members is still less than or equal to <b>eight</b> then the number of employee representative directors shall be reduced to one.</p> <p>Incoming employee representative directors shall take up office on the expiration of the terms of office of outgoing employee representative directors. However, by way of exception, the Company's first employee representative directors shall take up office on date of their appointment.</p>

**Previous wording**

**ARTICLE 15 – MEETINGS OF THE BOARD**

The Board of Directors shall meet as frequently as necessary in the Company's interests. Meetings shall be called by the Chairman.

They will be held at the Company's head office or at any other venue specified in the Notice of Meeting.

Meetings may be called by any appropriate method, including orally, by the Chairman or by the Secretary of the Board at the Chairman's request.

Meetings may also be held at the request of at least one-third of the directors or of the Chief Executive Officer, to discuss a specific agenda.

If the Chairman is prevented from calling a Meeting, it may be called by a director designated as acting Chairman, by the Vice-Chairman or one of the Vice-Chairmen or by the Chief Executive Officer if he or she is a member of the Board.

Decisions by the Board shall be valid only if at least one half of the directors are present at the Meeting.

The Board may decide that directors who take part in meetings by videoconference or by any other appropriate telecommunications media in accordance with the applicable laws and regulations will be considered as being physically present for the calculation of the quorum and voting majority.

Directors may give written proxy to another director to represent them at Board meetings, provided that no director may hold more than one proxy at any single Meeting.

Board meetings shall be chaired by the Chairman of the Board or, in his or her absence, by the Vice-Chairman or one of the Vice-Chairmen, or by any other director designated by the Board.

At the initiative of the Chairman of the Board, the Chief Executive Officer – if he or she is not a Board member – the Chief Operating Officer, other members of senior management, the Auditors or any other persons with specific knowledge or experience of the matters to be discussed, may be invited to attend a Board meeting.

Decisions shall be made by majority vote of the directors present or represented by proxy.

In the case of a split decision, the Chairman shall have a casting vote.

Directors and all persons called on to assist the Board shall be required to treat as strictly confidential all information provided during Board meetings and they are also subject to a general obligation of discretion.

---

**New wording**

**ARTICLE 15 – MEETINGS OF THE BOARD**

The Board of Directors shall meet as frequently as necessary in the Company's interests. Meetings shall be called by the Chairman.

They will be held at the Company's head office or at any other venue specified in the Notice of Meeting.

Meetings may be called by any appropriate method, including orally, by the Chairman or by the Secretary of the Board at the Chairman's request.

Meetings may also be held at the request of at least one-third of the directors or of the Chief Executive Officer, to discuss a specific agenda.

If the Chairman is prevented from calling a Meeting, it may be called by a director designated as acting Chairman, by the Vice-Chairman or one of the Vice-Chairmen or by the Chief Executive Officer if he or she is a member of the Board.

Decisions by the Board shall be valid only if at least one half of the directors are present at the Meeting.

The Board may decide that directors who take part in meetings by videoconference or by any other appropriate telecommunications media in accordance with the applicable laws and regulations will be considered as being physically present for the calculation of the quorum and voting majority.

Directors may give written proxy to another director to represent them at Board meetings, provided that no director may hold more than one proxy at any single Meeting.

Board meetings shall be chaired by the Chairman of the Board or, in his or her absence, by the Vice-Chairman or one of the Vice-Chairmen, or by any other director designated by the Board.

At the initiative of the Chairman of the Board, the Chief Executive Officer – if he or she is not a Board member – the Chief Operating Officer, other members of senior management, the Auditors or any other persons with specific knowledge or experience of the matters to be discussed, may be invited to attend a Board meeting.

Decisions shall be made by majority vote of the directors present or represented by proxy.

**Certain decisions listed in the applicable law and concerning the powers vested specifically in the Board of Directors may be made through a written consultation of the directors.**

In the case of a split decision, the Chairman shall have a casting vote.

Directors and all persons called on to assist the Board shall be required to treat as strictly confidential all information provided during Board meetings and they are also subject to a general obligation of discretion.

---

## Ordinary resolutions

### SIXTEENTH 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 pre-emptive 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 subdelegate 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 12 months of this Shareholders' Meeting and that it shall cancel as of this date any prior authorization with the same purpose.

### SEVENTEENTH 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 June 30, 2020

---



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

Chairman of Katara Hospitality

**Term of office expires**  
2022 Shareholders' Meeting  
◇ *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  
◇ *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<sup>(1)</sup>



**Iliane Dumas<sup>(2)</sup>**

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

**Term of office expires**  
May 2, 2023  
◇ *Member of the Appointments, Compensation & CSR Committee*



**Sophie Gasperment<sup>(3)</sup>**

Senior Advisor at Boston Consulting Group

**Term of office expires**  
2022 Shareholders' Meeting  
◇ *Chairman of the Appointments, Compensation & CSR Committee*  
◇ *Member of the Audit, Compliance & Risks Committee*



**Chantale Hoogstoel<sup>(2)</sup>**

Accor Benelux HACCP and Health & Safety Coordinator

**Term of office expires**  
January 11, 2021  
◇ *Member of the Commitments Committee*

(1) The renewal of its mandate of director is submitted to the approval of the 2020 General Meeting.

(2) Director representing employees.

(3) Independent director.



**Qionger Jiang<sup>(1)</sup>**

Chief Executive Officer and Artistic Director of Shang Xia

**Term of office expires**

2022 Shareholders' Meeting

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



**Iris Knobloch<sup>(1)</sup>**

President of Warner Bros Entertainment France

**Term of office expires**

2020 Shareholders' Meeting<sup>(2)</sup>

- ◊ 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<sup>(1)</sup>**

Leader of the French political party Les Républicains until November 2016

**Term of office expires**

2022 Shareholders' Meeting

- ◊ Chairman of the International Strategy Committee



**Isabelle Simon<sup>(1)</sup>**

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

**Term of office expires**

2022 Shareholders' Meeting<sup>(2)</sup>

- ◊ 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

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



**Bruno Pavlovsky<sup>(1)</sup>**

Chairman of Chanel SAS and Chanel's President of Global Fashion

**Term of office expires**

2023 Shareholders' Meeting<sup>(3)</sup>

(1) Independent director.

(2) The renewal of its mandate of director is submitted to the approval of the 2020 General Meeting.

(3) Subject to the approval of the sixth resolution of the 2020 General Meeting relating to the appointment of Bruno Pavlovsky as director of the Company.

# Statutory Auditors' report on the financial statements

---

*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 regulations 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 and other documents provided to 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 31 December 2019**

**To the Annual General Meeting of Accor S.A.,**

## *Opinion*

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Accor S.A. for the year ended 31 December 2019. These financial statements were approved by the Board of Directors, on February 19, 2020, on the basis of the elements available at that date, in the evolving context of the health crisis related to Covid-19.

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 31 December 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 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 for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes).

## *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 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 financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

## Measurement of equity securities

Risks identified	Our response
<p>Equity securities are recorded in the balance sheet at their acquisition cost, excluding acquisition expenses. As at 31 December 2019, the net carrying amount of equity securities is €7,384m, representing 55% of the balance sheet total.</p> <p>As stated in Note 1 "Accounting rules and methods" section c) "Financial assets" to the financial statements, impairment is recognized when the value in use is less than the net carrying amount. The value in use is determined on the basis of the share of the shareholders' equity of the subsidiary that the equity securities represent and if applicable: i) the average gross operating profit for the last two years to which a multiple is applied, ii) values for recent comparable transactions, iii) historical data used to assess the original value of the securities, iv) current data such as the company's profitability or the actual value of the underlying assets, v) future data corresponding to prospects in terms of profitability or performance and to economic trends.</p> <p>The choice of method for determining value in use requires significant judgment on the part of Management.</p> <p>In view of the significant amount in the balance sheet represented by the equity securities and the impact of the choice of valuation method for determining the value in use, we considered the measurement of equity securities to be a key audit matter.</p>	<p>Our audit procedures mainly consisted in:</p> <ul style="list-style-type: none"><li>• assessing the valuation methods used by Management;</li><li>• reconciling the shareholders' equity used with the source data from the accounts of the subsidiaries concerned and examining any adjustments made, as well as the documentation underlying these adjustments;</li><li>• verifying that the value in use of the equity securities was correctly determined on the basis of the methods adopted by Management;</li><li>• verifying the appropriateness of the information disclosed in the following notes to the financial statements: Note 1 "Accounting rules and methods", section c) Financial assets", Note 6 "Movements in equity securities and other capitalized securities in 2019", and Note 7 "Statement of provisions and depreciation of assets as at December 31, 2019".</li></ul>

## 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 Board of Directors' management report, as approved on February 19, 2020, and in the other documents with respect to the financial position and the financial statements provided to the Shareholders. Regarding the events that occurred and the elements known after the date of approval of the financial statements relating to the effects of the Covid-19 crisis, Management has informed us that such events and elements will be communicated to the annual general meeting called to decide on these financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned 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 sets out 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 favour, 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 these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code (Code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make 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 as statutory auditors of Accor S.A. by the annual general meetings held on 30 April 2019 for PricewaterhouseCoopers Audit and on 16 June 1995 for ERNST & YOUNG et Autres.

As at 31 December 2019, PricewaterhouseCoopers Audit was in its first year of engagement and ERNST & YOUNG et Autres was in its twenty-fifth year of 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 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 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 financial statements were approved by the Board of Directors.

## *Statutory Auditors' Responsibilities for the Audit of the Financial Statements*

### Objectives 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 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 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 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 significant deficiencies, if any, 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 provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). 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.

Neuilly-sur-Seine et Paris-La Défense, April 2, 2020

The statutory auditors

French original signed by:

**PricewaterhouseCoopers Audit**

Olivier Lotz

Cédric Haaser

**ERNST & YOUNG et Autres**

Jean Christophe Goudard François-Guillaume Postel

# Statutory Auditors' report on the consolidated financial statements

---

*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 regulations 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 and other documents provided to 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 31 December 2019

To the Annual General Meeting of Accor S.A.,

## Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Accor S.A. for the year ended 31 December 2019. These consolidated financial statements were approved by the Board of Directors, on February 19, 2020, on the basis of the elements available at that date, in the evolving context of the health crisis related to Covid-19.

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 31 December 2019 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 1 January 2019 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 for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes).

## Emphasis of Matter

We draw attention to the following matter described in Note 15 "Adoption of new standards" to the consolidated financial statements which sets out the effects of the mandatory application as from 1 January 2019 of IFRS 16 "Leases" and interpretation IFRIC 23 "Uncertainty over Income Tax Treatments". 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, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

## Measurement of intangible assets

Risks identified	Our response
<p>As at 31 December 2019, the net carrying amount of intangible assets amounts to €5,044m, namely 42% of total assets excluding assets held for sale. These fixed assets comprise goodwill (€1,995m), brands (€1,815m) and contracts (€997m) mainly recognized on external growth transactions, as well as other intangible fixed assets (€236m).</p> <p>As described in Note 7.4 to the consolidated financial statements, impairment must be recognized when the recoverable amount of these assets falls below their net carrying amount.</p> <p>The recoverable amount of intangible assets is estimated on the basis of the value in use, the calculation of which is generally based on discounted cash flow projections, for a maximum duration of five years and a perpetual growth rate specific to each Cash Generating Unit (CGU) or group of CGUs to which the assets belong.</p> <p>We have considered the measurement of intangible assets to be a key audit matter, given their significance in the group's consolidated accounts and the methods used to determine their recoverable amount. Indeed, these recoverable amounts are based on the use of significant assumptions, estimates or assessments on the part of Management, in particular concerning projected future cash flows, the estimation of discount rates and long-term growth rates.</p>	<p>Our work notably consisted in:</p> <ul style="list-style-type: none"> <li>familiarizing ourselves with the process implemented by Management to assess the intangible assets' valuation and assessing the principles and methods used to determine the recoverable amounts of the CGUs or groups of CGUs to which the intangible assets belong;</li> <li>assessing, with the support of our valuation experts where needed, the relevance of the valuation models used, the long-term growth rates and the discount rates applied, based on market practices, and verifying, by sampling, the arithmetical accuracy of the valuations used by Management;</li> <li>substantiating, through discussion with Management, the main assumptions on which the budget estimates underlying the cash flows used in the valuation models are based. In this respect, we have notably compared the estimates of cash flow projections for previous periods with the corresponding actual results, in order to measure the relevance and reliability of the forecasting process;</li> <li>assessing, for the goodwill and intangible assets presenting a recoverable amount that is close to the net carrying amount, the results of the sensitivity analyses carried out by Management, by comparing them to the results of the analyses performed by us.</li> <li>assessing the appropriateness of the information disclosed in Note 7.4 "Impairment tests" to the consolidated financial statements.</li> </ul>

## Assets and liabilities held for sale and discontinued operations

Risks identified	Our response
<p>Within the context of the proposed sale of the Accor group's holding in Orbis and the Mövenpick hotels operated under lease, as described in Note 2.2 "Assets held for sale and discontinued operations", the group considered that the conditions of application of IFRS 5 "Non-current Assets held for Sale and Discontinued Operations", were fulfilled and consequently reclassified the related assets and liabilities as assets and liabilities held for sale as at 31 December 2019 for the total respective amounts of €1,693m (i.e., 96% of the €1,761m of assets held for sale as at 31 December 2019) and €817m (i.e., 97% of the €845m of liabilities held for sale as at 31 December 2019).</p> <p>In addition, the transactions relating to the hotel assets activity of Orbis and having an impact on the group's income statement have been reclassified in a separate line in the income statement entitled "Net profit(loss) from discontinued operations", this activity having been considered by the group as a separate major line of business within the meaning of IFRS 5, as stated in Note 2.2.1 to the consolidated financial statements.</p> <p>The assets and liabilities held for sale as at 31 December 2019 were valued at the lower of their net carrying amount as at the date of reclassification and their fair value less costs to sell, leading to the recognition of an impairment loss of €23m.</p> <p>In view of the significance of these judgments and their impact on the group's consolidated financial statements, we considered the related accounting treatment and presentation of these planned disposals in the consolidated financial statements to be a key audit matter.</p>	<p>Our work consisted mainly in:</p> <ul style="list-style-type: none"> <li>assessing the relevance of the application of IFRS 5 regarding the facts and circumstances of these planned disposals;</li> <li>examining the processes of identification and reclassification of the assets and liabilities as assets and liabilities held for sale in the group's balance sheet as at 31 December 2019, and the reclassification of the transactions affecting the income statement to "Net profit (loss) from discontinued operations";</li> <li>comparing the net carrying amount of the net assets held for sale with the expected sale price less costs to sell, notably based on the agreements signed with the third-party acquirers before the close of financial year 2019;</li> <li>assessing the appropriateness of the information disclosed in respect of these transactions in the notes to the consolidated financial statements, in particular Note 2.2 "Assets held for sale and discontinued operations".</li> </ul>



## Impacts of the first-time application of IFRS 16 "Leases"

Risks identified	Our response
<p>The group has applied IFRS 16 relating to leases since 1 January 2019, opting for the "modified retrospective" transition method. The conditions of this first-time application are detailed in Note 15 "Adoption of new standards" to the consolidated financial statements.</p> <p>This standard modifies the accounting treatment of leases with the recognition, as from the inception of the lease, of a liability in the balance sheet corresponding to the discounted future payments in respect of the fixed portion of the lease payments, in exchange for rights to use the leased asset amortized over the term of the lease.</p> <p>As stated in Note 8 "Leases" to the consolidated financial statements, the impact of the first-time application of the standard as from 1 January 2019 amounts to €1,078m under assets in the balance sheet in respect of the right to use the asset, and €1,069m under liabilities in the balance sheet in respect of the lease liability.</p> <p>We considered the first-time application of IFRS 16 on leases to be a key audit matter due to its impact on the group's consolidated accounts, the complexity of its implementation, and the degree of judgment exercised by Management.</p>	<p>Our work mainly consisted in:</p> <ul style="list-style-type: none"> <li>· familiarizing ourselves with the process set up by Management to apply the new IFRS 16 standard at the level of the group and its subsidiaries;</li> <li>· assessing the relevance of the accounting estimates and key assumptions made by Management in connection with the adoption of this IFRS standard. To that end, the discount rates applied to determine the lease liabilities have been examined with the support of our valuation experts;</li> <li>· implementing audit procedures, at the level of the subsidiaries, to examine the process which was set-up to collect lease agreements and to assess the consistency of the operating data and key assumptions used by the subsidiaries' management on a representative sample of leases;</li> <li>· verifying the arithmetical accuracy of the calculation of the impacts of transition on the consolidated accounts for all the group's leases and the reconciliation performed by Management with the group's lease liabilities as at 31 December 2018, as set out in Note 15 "Adoption of new standards" to the consolidated financial statements;</li> <li>· assessing the appropriateness of the information set out in Note 8 "Leases" and Note 15 "Adoption of new standards" to the consolidated financial statements.</li> </ul>

### 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 given in the Board of Directors' management report, as approved on February 19, 2020. Regarding the events that occurred and the elements known after the date of approval of the consolidated financial statements relating to the effects of the Covid-19 crisis, Management has informed us that such events and elements will be communicated to the annual general meeting called to decide on these financial statements.

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 required by article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information pertaining to the group given in the management report, it being specified that, in accordance with article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained in the non-financial statement. This information should be the subject of a report by an independent third party.

## Report on Other Legal and Regulatory Requirements

### Appointment of the Statutory Auditors

We were appointed as statutory auditors of Accor S.A. by the annual general meetings held on 30 April 2019 for PricewaterhouseCoopers Audit and on 16 June 1995 for ERNST & YOUNG et Autres.

As at 31 December 2019, PricewaterhouseCoopers Audit was in its first year of engagement and ERNST & YOUNG et Autres was in its twenty-fifth year of 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 significant deficiencies, if any, 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 as set out in particular in Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes. 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.

Neuilly-sur-Seine and Paris-La Défense, April 2, 2020

The statutory auditors  
French original signed by:

**PricewaterhouseCoopers Audit**

**ERNST & YOUNG et Autres**

Olivier Lotz

Cédric Haaser

Jean Christophe Goudard François-Guillaume Postel

# Statutory Auditors' report on related party agreements and commitments

---

*This is a free translation into English of the Statutory Auditors' special report on related-party agreements and commitments issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)*

## **(Annual General Meeting held to approve the financial statements for the year ended December 31, 2019**

To the Shareholders,

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

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

## *Agreements submitted for approval to the Annual General Meeting*

### **Agreements authorized during the year ended 2019**

In accordance with Article L.225-40 of the French Commercial Code, we were informed of the following agreements authorized in advance by the Board of Directors.

#### **With Paris Saint-Germain Football company**

##### **Person(s) concerned**

Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani and Aziz Aluthman Fakhroo, directors of the Company, designated by Qatar Investment Authority, of which SASP Paris Saint-Germain Football is an indirect subsidiary.

##### **Nature and purpose**

Partnership agreement signed with the Paris Saint-Germain football club.

##### **Conditions**

On February 20, 2019, the Board of Directors authorized the Company to enter into a partnership agreement under which Accor becomes the main partner of the Paris Saint-Germain professional football club and the ALL-Accor Live Limitless logo is featured on the club's team jerseys.

##### **Reasons why the agreement is beneficial for the Company**

The Board of Directors believes that this partnership agreement, signed on February 21, 2019, gives the new ALL-Accor Live Limitless program worldwide visibility, by benefiting from the club's and its players' extensive media exposure, and that it also allows the Accor Group, through its loyalty program, to offer unique experiences to its members, such as attending a match or meeting players.

## Agreements previously approved by the Annual General Meeting

### Agreements approved during the year ended 2019

We were informed of the implementation during the year of the following agreements, previously approved by the Annual General Meeting of April 30, 2019, as indicated in the Statutory Auditors' special report of March 22, 2019. .

#### With Katara Hospitality company (Kasada project)

##### Person(s) concerned

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

##### Nature and purpose

Agreement entered into with Katara Hospitality, with a view to setting up an investment fund dedicated to Hospitality in Africa (Kasada Capital Management).

##### Conditions

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

In 2019, the Company paid a total of 598 816 euros under this partnership agreement.

Neuilly-sur-Seine and Paris-La Défense, April 2, 2020

The Statutory Auditors  
French original signed by

**PricewaterhouseCoopers Audit**

Olivier Lotz

Cédric Haaser

**ERNST & YOUNG et Autres**

Jean Christophe Goudard François-Guillaume Postel

# ***Statutory Auditors' report on the issue of ordinary shares and/or securities reserved for members of an employee share ownership plan***

---

Annual General Meeting of June 30, 2020

## **14<sup>th</sup> resolution**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of Accor and in accordance with the provisions of Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation of authority to the Board of Directors to decide on the issue of ordinary shares and/or securities giving access to equity securities to be issued without pre-emptive subscription rights, reserved for eligible current and retired employees of the Company and/or French and foreign companies related to it, who are members of one or more employee share ownership plans set up within the Accor group, for a maximum nominal amount of 2% of the Company's share capital at the date of the Board of Directors' decision to increase the capital, which is submitted to you for approval.

This issue is submitted for your approval pursuant to the provisions of Article L. 225-129-6 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labor Code (*Code du travail*).

The Board of Directors proposes that, on the basis of its report, the shareholders delegate to the Board for a period of 26 months, except during the period of a public offer for the Company's shares, unless prior authorization is granted by the Annual General Meeting, the authority to decide on an issue and to cancel their pre-emptive rights to subscribe for the securities to be issued. Where applicable, the Board will be responsible for setting the final terms and conditions of this operation.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fair presentation of the data taken from the financial statements, on the proposed cancellation of shareholders' pre-emptive subscription rights, and on other information relating to the issue, provided in the report.

We performed the procedures that we considered necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information provided in the Board of Directors' report relating to the operation and the methods used to set the issue price of the equity securities to be issued.

Subject to a subsequent examination of the terms and conditions of the proposed issue, we have no matters to report as regards the methods used to set the issue price of the equity securities to be issued, provided in the Board of Directors' report.

Since the final terms and conditions of the issue have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancellation of shareholders' pre-emptive subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report in the event that the Board of Directors uses this delegation of authority.

Neuilly-sur-Seine and Paris La Défense, May 15, 2020

The Statutory Auditors

**PricewaterhouseCoopers Audit**

Olivier Lotz

Cédric Haaser

**Ernst & Young et Autres**

Jean Christophe Goudard François-Guillaume Postel

# ***Statutory Auditors' report on the proposed issue of free share warrants in the event of a public offer for the Company's shares***

---

**Annual General Meeting of June 30, 2020**

## **16<sup>th</sup> resolution**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of Accor, and in accordance with Article L. 228-92 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed issue of free share warrants in the event of a public offer for the Company's shares, which is submitted to you for approval.

On the basis of its report, the Board of Directors proposes that pursuant to Article L. 233-32-II of the French Commercial Code, the shareholders delegate authority to the Board of Directors, in order to:

- decide the issue of free share warrants subject to Article L. 233-32-II of the French Commercial Code, and allot them free of consideration to all shareholders recorded as such before the expiry of the public offer period, enabling them to subscribe for one or more Company shares on preferential terms;
- set the conditions under which the warrants may be exercised as well as the other characteristics of the warrants.

The maximum nominal amount of the capital increase that may result from the exercise of such warrants is 25% of the Company's share capital and the maximum number of share warrants that may be issued may not exceed a number equal to the number of shares outstanding at the time of issue.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the data taken from the financial statements and on certain other information concerning the issue, given in the report.

We performed the procedures that we considered necessary in accordance with professional standards applicable in France to such engagements. Those procedures require that we examine the content of the Board of Directors' report concerning this operation.

We have no matters to report on the information relating to the proposed issue of share subscription warrants in the event of a public offer for the Company's shares contained in the Board of Directors' report.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report in the event that the Board of Directors uses this delegation of authority.

Neuilly-sur-Seine and Paris La Défense, May 15, 2020

The Statutory Auditors

**PricewaterhouseCoopers Audit**

Olivier Lotz

Cédric Haaser

**Ernst & Young et Autres**

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**

Tuesday June 30, 2020

The undersigned: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Owner of: \_\_\_\_\_ registered shares<sup>(1)</sup>

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: \_\_\_\_\_ 2020

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: €812,797,050  
Headquarters: 82, rue Henri-Farman - 92130 Issy-les-Moulineaux, France  
Registered in Nanterre under number 602 036 444

**[group.accor.com](http://group.accor.com)**

Design and production: **côtécorp**. Tél. : 01 55 32 29 74  
Photos credits: © Nguyen Khan



ACCOR