



**COMPENSATION POLICY APPLICABLE TO CORPORATE OFFICERS IN 2024**  
**APPROVED BY THE SHAREHOLDERS' MEETING HELD ON MAY 31<sup>ST</sup>, 2024**

Results of the votes on the corresponding resolutions:

8 <sup>th</sup> resolution	Compensation policy applicable to the Chairman and Chief Executive Officer	Approved at 94.56%
9 <sup>th</sup> resolution	Compensation policy applicable to the Directors	Approved at 97.99%

(Article R. 22-10-14 IV of the French Commercial Code)

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***EXTRACT FROM THE 2023 UNIVERSAL REGISTRATION DOCUMENT***

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### 4.5.1 Compensation policy for corporate officers (subject to ex ante shareholder approval pursuant to article L. 22-10-8 of the French Commercial Code)

The compensation policies set out below are the subject of resolutions submitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve these resolutions, the last compensation policy approved remains applicable and in force.

Compensation policies for corporate officers are reviewed annually and comply with applicable legal and regulatory provisions, market practices and the recommendations of the AFEP-MEDEF code, and take into account any comments made by shareholders.

Furthermore, the Company's management, represented by its Group General Counsel and Secretary of the Board of

Directors and by its Director of Financial Communications, met and exchanged views with several shareholders to discuss governance issues and compensation policies. These discussions took place before the Annual General Meeting and at the end of the year, to prepare the new policies. The Vice-Chairman of the Board of Directors and the Chairman of the Appointments and Compensation Committee also attended some of the meetings. These discussions were reported to the Appointments and Compensation Committee and to the Board of Directors, which took into account the comments and expectations of shareholders when setting the compensation policies described below.

#### 4.5.1.1 Compensation policy for directors

Directors serve a three-year term. Directors appointed by the Annual Shareholders' Meeting may be revoked at any time, also by the Annual Shareholders' Meeting.

Without prejudice to the powers of the General Meeting in this respect, the compensation policy for directors is determined by the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee and within the limit of the overall amount of compensation determined by the Annual Shareholders' Meeting.

The Annual Shareholders' Meeting of the Company, held on April 20, 2018, set the total maximum annual amount of compensation to be allocated among members of the Board of Directors at a gross amount of €1,320,000 until the Annual Shareholders' Meeting decides otherwise.

The Board of Directors, acting on the recommendation of the Appointments and Compensation Committee, has decided on the following principles for the allocation of this budget:

- the annual amount of directors' compensation is divided into an amount set aside for the Board and an amount set aside for the Board Committees, as determined by the Board of Directors;
- one-third of the amount set aside for the Board and for the Committees is used to pay the fixed portion of directors' compensation;
- two-thirds of the amount set aside for the Board and Committees is used to pay the variable portion of directors' compensation based on a per-meeting amount set by the Board depending in each case on the total number of meetings held during the fiscal year and on the number of members composing each instance. The calculated variable portion of directors' compensation is then paid to each director depending on its attendance rate;
- the Vice-Chairman of the Board of Directors receives the fixed portion of directors' compensation payable to all directors as well as a fixed portion of a lump sum determined by the Board of Directors;
- a lump sum is set aside for non-voting directors to be allocated on the same basis as that applied to the amounts set aside for the Board and for the Board Committees;

- Committee Chairmen receive a fixed portion of directors' compensation equal to double the fixed portion payable to Committee members;
- members of the Audit, Compliance & Risks Committee, and members of the Appointments and Compensation Committee, receive an increased portion of directors' compensation, as decided by the Board of Directors;
- directors who also hold the position of Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer do not receive any directors' compensation;
- directors representing employees do not receive any directors' compensation. The compensation that they would have received is not distributed and instead the Company has pledged to allocate the equivalent amount to supporting Group employees in difficulty;
- the Board of Directors may also decide to allocate an exceptional bonus for a given assignment or mandate to a director or non-voting director as part of their variable compensation;
- directors' compensation is paid no later than three months following the end of the previous fiscal year.

The Board of Directors then approves the individual allocation of directors' compensation for the year, prior to its actual payment to the directors (subject to the provisions of Article L. 22-10-34 I of the French Commercial Code, which stipulates that directors' compensation for the current year is suspended in the event of a negative vote by shareholders on the compensation paid or allocated to corporate officers in respect of the previous year).

This compensation policy does not include a mechanism for clawback of the variable portion of the compensation allocated to directors.

The compensation policy of the directors is reviewed annually by the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee. The policy is then submitted to the approval of shareholders at the Annual Shareholders' Meeting.

The compensation policy described above will be submitted to shareholders for approval at the 2024 Annual Shareholders' Meeting.

#### 4.5.1.2 Compensation policy for the Chairman and Chief Executive Officer

Without prejudice to the powers of shareholders in such matters, the compensation policy for the Chairman and Chief Executive Officer is determined by the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee.

To this extent, the Board constantly ensures that it complies with the principles of completeness and consistency with the compensation policy of the company's other executives and employees, as well as comparability, motivation, measurement and comprehensibility of the rules, while ensuring a balance is maintained between the compensation packages.

By incorporating incentive-driven packages aimed at rewarding performance through exacting criteria to drive value creation, the executive officers' compensation is consistent with the interests of both the Company and its shareholders in addition to the Group's business strategy. The long-term compensation package associates executive officers and all beneficiaries with the capital, including contingencies. The package is also focused on their loyalty and encourages sustainable performance.

The Appointments and Compensation Committee bases its recommendations on compensation benchmarks conducted by external consultants of the practices of other companies of comparable size and international hotel groups.

Moreover, the Appointments and Compensation Committee conducts regular reviews to ensure the compensation policy adopted by the Annual Shareholders' Meeting is applied properly. Consequently, fixed, variable and long-term compensation principles, criteria and targets are analyzed by the Appointments and Compensation Committee on an annual basis. This Committee reports on its work to the Board of Directors.

If new executive officers are appointed during the fiscal year, the compensation policy described below applies until a new policy is adopted by the next Annual Shareholders' Meeting.

The Board of Directors and the Appointments and Compensation Committee undertake to prevent and

manage any conflicts of interest that may arise, specifically with regard to the compensation decision-making process. To this end, the Appointments and Compensation Committee mainly comprises Independent Directors as well as a Director representing employees. Lastly, in accordance with the provisions of the Board of Directors' Bylaws, the Chairman and Chief Executive Officer shall not participate in the proceedings or voting on his compensation.

The Company's adopted measures with a view to preventing conflicts of interest are outlined in section 4.3.3 of the Universal Registration Document.

The Chairman and Chief Executive Officer of the Company serves a three-year term. The Board of Directors may end the Chairman and Chief Executive Officer's term of office at any given moment.

Sébastien Bazin was re-elected as Director and Chairman and Chief Executive Officer on May 17, 2023. At its meeting on February 22, 2023, the Board of Directors reviewed and reassessed the total compensation of the Chairman and Chief Executive Officer for the duration of his term of office.

At its meeting of 21 February 2024, the Board of Directors approved the recommendations of the Appointments and Compensation Committee, and decided to make no changes to the principles of the compensation policy for the Chairman and Chief Executive Officer. The Committee drew on compensation studies carried out by specialist external consultants on the executive officers of companies of comparable size<sup>(1)</sup> and on the specific compensation structures of the executive officers of the main international hotel peers<sup>(2)</sup>. It was therefore decided to maintain unchanged the components of his total compensation as set at the time of his reappointment in 2023, i.e. the amount of his annual fixed compensation, the reference amount of his annual variable compensation and the part of his compensation paid in performance shares. The criteria and targets for annual variable and long-term compensation have changed slightly, to better reflect the Group's ambitions.

The components of the total compensation and the benefits in kind that may be granted to the Chairman and Chief Executive Officer are described below.

(1) Air France Klm, Air Liquide, Airbus Group, Alstom, Arcelormittal, Arkema, Axa, Biomerieux, Bnp Paribas, Bouygues, Bureau Veritas, Capgemini, Carrefour, Credit Agricole, Danone, Dassault Systèmes, Edenred, Eiffage, Engie, Essilorluxottica, Eurofins, Euronext, Faurecia, Gecina, Getlink, Groupe Adp, Hermes International, Kering, Klepierre, Legrand, L'Oreal, Lvmh, Michelin, Orange, Pernod Ricard, Publicis, Remy Cointreau, Renault, Rexel, Safran, Saint-Gobain, Sanofi, Sartorius, Schneider Electric Se, Société Générale, Sodexo, Solvay, Stellantis, Stmicroelectronics, Teleperformance, Thales, Totalenergies, Ubisoft, Urw, Valeo, Veolia Environnement, Vinci, Vivendi Se, Worldline.

(2) Choice, IHG, NH Hoteles, Hilton, Marriott, Whitbread, Hyatt, Melia, Wyndham.

## Short-term components

The short-term components of the Chairman and Chief Executive Officer's compensation are as follows:

- (i) **Annual fixed compensation**, which takes into account the Chairman and Chief Executive Officer's experience and responsibilities as well as market practices.

For 2024, Sébastien Bazin's gross annual fixed compensation is €950,000 (unchanged since January 1<sup>st</sup>, 2016).

- (ii) **Annual variable compensation**, which is contingent on the Chairman and Chief Executive Officer's contribution to the Group's success, particularly in terms of financial and extra-financial performance, and depends on performance in relation to quantitative objectives (for 80%) and qualitative objectives (for 20%) set by the Board of Directors, as explained below. Each quantitative objective, depending on the achievement rate, triggers the payment of between 0% and 160% of the share of variable compensation it represents. Each qualitative objective, depending on the achievement rate, triggers the payment of between 0% and 120% of the share of variable compensation it represents.

For 2024 fiscal year, the annual variable compensation will represent between 0% and 150% of a gross reference amount set at €1,400,000, equivalent to between 0% and 221% of the annual fixed compensation.

If the variable compensation reaches 100% of the reference amount, this will represent 147% of his annual fixed compensation.

The Board has decided that Sébastien Bazin's annual variable compensation will be based on the achievement of the following performance objectives:

### 1. quantitative objectives (accounting for 80% of the total):

- financial criteria (50% weighting):
  - consolidated EBITDA in line with the 2024 budget (25% weighting),
  - free cash-flow (excluding disposals and acquisitions) after change in operating working capital, in line with the 2024 budget (25% weighting);

The nature and weighting of the financial criteria have been kept unchanged, enabling a significant overall weighting to be applied to the financial criteria and remaining in line with market practice. For these criteria, a partial payment of 50% is activated once 90% of the budget has been achieved. When the budget is reached, 100% of the payment is due and the maximum payment (160%) is due if the budget is exceeded by 5%.

- non-financial criteria (30% weighting):
  - net unit growth (15% weighting),
  - environmental, social and governance (ESG) criteria (15% weighting):

At its meeting on 21 February 2024, on the recommendation of the Appointments and

Compensation Committee, the Board of Directors decided to replace the criterion of "Organic growth in the number of rooms (net of churn from hotels transferring to another brand)" with the criterion of "Net unit growth". This adjustment reflects the growth ambitions announced by the Group at its Investor Day on 27 June 2023. This criterion represents rooms variance in percentage between network beginning of period at 1 January 2024 and network end of period at 31 December 2024, excluding additions or exits related to mergers and acquisitions operations. It will be measured against the annual growth target, which itself is based on the outlook given at the Investor Day. The 50% partial payment is triggered once 80% of the annual growth target has been achieved. When the full-year target is reached, 100% of the payment is due on this criterion and the maximum payment (160%) is due when growth reaches or exceeds 120% of the full-year objective.

With respect to the "ESG criteria" objective, it was decided to leave its total weighting unchanged and to modify its composition by adding new criteria reflecting the Stay and People pillars of the Group's CSR policy. The Food pillar has been taken into account by adding a new performance condition applicable to long-term compensation. The ESG criteria used are as follows:

### Stay Pillar (10%), two criteria:

- Percentage of managed and franchised hotels (based on the network at 1 January 2024) that have defined their water consumption baseline at 31 December 2024: an initial target has been set for managed hotels (2.5%) and a second for franchised hotels (2.5%).
- Percentage of subsidiary, managed and franchised hotels (based on the network at January 1, 2024) eco-certified as of December 31, 2024 (5%). A hotel is said to be eco-certified when it has been awarded an eco-label by a recognized certification partner.

### People Pillar (5%), one criteria:

Percentage of women holding a position at least equivalent to VP (Vice President) level according to the Group's internal classification at December 31, 2024.

The level of achievement of these new ESG criteria has been precisely set. The objectives and payment curves of the criteria are as follows:

- With regard to the criterion concerning the percentage of managed and franchised hotels that have defined their water consumption baseline, the target has been set at 80% for managed hotels and 50% for franchised hotels. The thresholds for activating a payment based on this criterion are ambitious. As such, to trigger a payment for this criterion, the number of hotels having defined their baseline in 2024 will have to be greater than the number of hotels that had measured their water consumption by December 31, 2023. The threshold target for partial payment of 50% of the criterion has been set at 70% for managed hotels and 35% for franchised hotels. The upper target for maximum payment (160%) has been set at 90% for managed hotels and 60% for franchised hotels.

- With respect to the criterion relating to the percentage of eco-certified subsidiary, managed and franchised hotels by December 31, 2024, the target has been set at 30% of hotels. In the same way as for the above criterion, the threshold for triggering payment has been set significantly higher than the percentage of eco-certified hotels by December 31, 2023: the target threshold for partial payment of 50% has been set at 20%, and the upper target for maximum payment (160%) has been set at 45%.
- With regard to the criterion concerning the percentage of women holding a position at least equivalent to a VP level by December 31, 2024, the target has been set at 39% of women. The threshold for partial payment of the 40% criterion has been set at 37% of women (a higher percentage than that seen as of December 31, 2023), and the upper target for maximum payment (160%) has been set at 41%.

It should be noted that the Board has chosen to adjust the thresholds for triggering these criteria in view of the very

ambitious targets set, particularly with regard to the departure percentages and the significant margin of increase to be achieved.

**2. qualitative objective (accounting for 20% of the total):**

- Finalization of the TURBO organization, talent development and support for the implementation of the CSR plan.

The Board of Directors, on the recommendation of the Appointments and Compensation Committee, has decided to keep the qualitative objective relating to "Finalization of the TURBO organization roll-out" and "Talent Development", as these are particularly relevant over the 2023/2024 period, i.e. the period corresponding to the full roll-out of the new organization. It was also decided to add the criterion of "Support for the implementation of the CSR plan", in order to align and involve all stakeholders in the Group's CSR ambitions.

**Criteria and weighting of the components of the Chairman and Chief Executive Officer's variable compensation**

Quantitative objectives	Weighting	% of the Reference Amount		
		Min	Target	Max <sup>(1)</sup>
Actual versus budgeted consolidated EBITDA for 2024	25%	0%	25%	40%
Actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital for 2024	25%	0%	25%	40%
Net unit growth	15%	0%	15%	24%
Percentage of managed and franchised hotels having defined their water consumption baseline by December 31, 2024				
Percentage of managed hotels	2.5%	0%	2.5%	4%
Percentage of franchised hotels	2.5%	0%	2.5%	4%
Percentage of subsidiary, managed and franchised hotels eco-certified as of December 31, 2024	5%	0%	5%	8%
Percentage of women holding a position at least equivalent to VP level at December 31, 2024	5%	0%	5%	8%
<b>Total, quantitative objectives</b>	<b>80%</b>	<b>0%</b>	<b>80%</b>	<b>128%</b>

(1) Each quantitative objective, depending on the achievement rate, may trigger the payment of up to 160% of the share of variable compensation it represents.

Qualitative objective	Weighting	% of the Reference Amount		
		Min	Target	Max <sup>(1)</sup>
Finalization of the TURBO organization roll-out, talent development and support for the implementation of the CSR plan	20%	0%	20%	24%
<b>Total, qualitative objective</b>	<b>20%</b>	<b>0%</b>	<b>20%</b>	<b>24%</b>
<b>Total, quantitative and qualitative objectives as a % of the reference amount</b>		<b>0%</b>	<b>100%</b>	<b>150%<sup>(2)</sup></b>
<b>Total variable compensation as a % of fixed compensation (capped amount)</b>		0%	147%	221%

(1) Each qualitative objective, depending on the achievement rate, may trigger the payment of up to 120% of the share of variable compensation it represents.

(2) The variable compensation is capped at 150% of the reference amount.

(iii) Lastly, the Board of Directors has retained the option of paying an **exceptional bonus** to the Chairman and Chief Executive Officer in certain special circumstances (such as in the event of a transformative operation), which would be announced and explained to shareholders, in accordance with the AFEP-MEDEF Code. The exceptional bonus paid to the Chairman and Chief Executive Officer shall not exceed 100% of his annual fixed compensation.

In any event and subject to approval of this compensation policy at the 2024 Annual Shareholders' Meeting, payment of the Chairman and Chief Executive Officer's variable compensation and, if applicable, his exceptional bonus will be subject to the shareholders' prior approval at the 2025 Annual Shareholders' Meeting

### Long-term components

Performance shares in the Company are regularly granted to the executive officer of the Company and to certain Group employees subject to the fulfillment of performance conditions and continued presence in the Group. These share grants are intended to closely align the Chairman and Chief Executive Officer's interests with those of the Company's shareholders and encourage him to deliver long-term performance. The performance conditions (internal and external) of the plans are determined by the Board of Directors. In accordance with the provisions of the AFEP-MEDEF Code, most plans are issued during the first half of each year.

At its meeting on February 21, 2024, based on recommendations put forward by the Appointments and Compensation Committee, the Board of Directors decided to maintain the cap on the number of performance shares that may be granted to the Chairman and Chief Executive Officer to a number equivalent to 280% of his gross annual fixed compensation. In any event, the number of performance shares that may be granted to him shall not represent more than 15% of the total number of performance shares under the resolution which authorized the grant of the performance shares, valid for a period of 38 months.

In addition to the requirement that the Chairman and Chief Executive Officer continues to be employed by the Group at the end of the three-year vesting period, these performance shares shall only vest in accordance with the performance conditions below and measured at the end of the three-year period. Moreover, the number of shares to be vested at the end of the vesting period will not exceed 100% of the number of shares initially granted.

The performance conditions attached to the shares are the following:

- internal conditions (80% weighting):
  - actual versus budgeted consolidated EBITDA (40% weighting),
  - actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital (20% weighting),
  - carbon footprint reduction (10% weighting),
  - food waste reduction (10% weighting);
- relative external condition (20% weighting):
  - Accor's Total Shareholder Return (TSR) versus the change of a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG).

The Board of Directors, on the recommendation of the Appointments and Compensation Committee, has decided to maintain the nature and weight of the performance conditions unchanged, as they are still aligned with the Group's long-term ambition. However, the ESG conditions have been amended by adding a new condition linked to the Food pillar of the Group's CSR policy to the "carbon footprint reduction" criterion.

The objectives relating to the above performance conditions are as follows:

- Concerning the internal conditions relating to "EBITDA" and "free cash-flow (excluding disposals and acquisitions) after change in operating working capital", 100% of the shares subject to these conditions are vested when the average annual performance compared with the budget, over the three years of the plan, is 100%.

For the "EBITDA" condition, partial vesting of 50% of the shares is triggered as soon as the average performance reaches 75%, and maximum vesting (150%) is triggered as soon as this average exceeds 102%.

For the "free cash-flow (excluding disposals and acquisitions) after change in operating working capital" condition, partial vesting of 50% of the shares is triggered as soon as the average performance reaches 75%, and maximum vesting (150%) is reached once this average exceeds 105% of the budget.

- With regard to the internal "carbon footprint reduction" condition, the objective by December 31, 2026 is for 90% of managed hotels (based on the network at January 1, 2024) to achieve a 29% reduction in scopes 1 and 2 carbon emissions (compared with 2019). This target has been revised and set according to a trajectory in line with the Group's 2030 ambition to reduce its carbon footprint. If this target was reached, 100% of the shares linked to this condition will be acquired. Partial vesting of 50% of shares is triggered once the carbon footprint has been reduced by 25.2%, and maximum vesting (150%) is reached once the carbon footprint has been reduced by at least 33.6%.
- With respect to the internal "food waste reduction" condition, the objective by December 31, 2026 is to achieve a 20% reduction in food waste per cover (compared with 2023) in 800 hotels having defined their food waste baseline by December 31, 2023. If this target is met, 100% of the shares linked to this condition will be acquired. Partial vesting of 50% of the shares is triggered by a reduction of 17%, and maximum vesting (150%) is reached when the reduction is at least 30%.
- With regard to the external performance condition (*i.e.* "Accor's TSR versus the change of a composite index comprising peer European and international hotel groups (Melia, NH Hoteles, Whitbread, Hilton, Marriott, Hyatt, IHG)"), the partial vesting of 90% of the shares is triggered from a 100% achievement rate. The objective of 100% vesting has been set at a performance rate of 102.5%, and the maximum vesting rate (150%) is reached when the performance rate is at least 110%.

These performance and conditions are identical to those applicable to all Group grantees of performance shares.

In addition, the performance shares are subject to a lock-up period and the Chairman and Chief Executive Officer is required to retain a certain proportion of the shares for as long as he remains in this position (see further details on page 281).

This compensation policy does not include a mechanism for the clawback of variable compensation (annual and long-term variable compensation).

### Other benefits awarded to the Chairman and Chief Executive Officer

The other benefits provided to the Chairman and Chief Executive Officer are as follows:

- (i) **A company car.**
- (ii) **Unemployment insurance.** A private insurance plan has been set up with Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) to provide the Chairman and Chief Executive Officer with unemployment benefits should the need arise. The benefits under this plan would be based on net taxable professional-source income for the previous year, and would be payable as from the thirty-first day of continuous unemployment. The maximum length of time that Sébastien Bazin could be paid benefits under the plan is 24 months, and the total amount of benefits is capped at €463,680 (based on the applicable rate for 2023).
- (iii) **A maximum of 100 hours of tax and asset management advice** per year provided by an external company.
- (iv) **Supplementary pension benefits:**

The executive officer and several dozen other senior executives in France are members of a top-hat supplementary pension plan set up within the Company. This plan complies with the recommendations contained in the AFEP-MEDEF Code, as described below.

This plan comprises a defined contribution plan or mandatory retirement savings plan, *Plan d'Epargne Retraite Obligatoire – PERO* (formerly the "Article 83" plan), implemented under Articles L. 242-1 and L. 911-1 of the French Social Security Code, complemented with a defined benefit plan under Article L. 137-11-2 of the French Social Security Code (the "L. 137-11-2" plan). Both plans have been outsourced to an accredited organization, to which the relevant contributions are paid.

- **A defined contribution plan or mandatory savings plan – PERO (formerly "Article 83")**

Entitlement to this plan is granted to the Company's executive officer, as well as to Group's senior executives with over one year of service and an annual reference compensation<sup>(1)</sup> of more than four times the annual ceiling used for calculating French social security contributions (Plafond annuel de la Sécurité sociale - the "PASS"). When they retire, participants receive a pension annuity, with the possibility of survivor benefits, which is determined based on the contributions paid by the Company each year they are members of the plan. The annual contribution paid by the Company for each participant corresponds to 8% of the annual reference

compensation paid during the year concerned, capped at eight times the PASS. In compliance with the provisions of the French Social Security Code, participants retain their rights accrued under this plan if they leave the company before the date of retirement.

The Company pays the 20% forfait social levy due on compensation that is exempt from social security contributions (5% of the compensation capped at five times the PASS), which is calculated on the Company's total contribution to the plan, and plan participants pay the Contribution Sociale Généralisée (CSG) and Contribution au Remboursement de la Dette Sociale (CRDS) levies, which are calculated on the basis of the portion of the Company's contribution allocated to them.

For the share of the contribution above the above-referenced ceiling, the Company pays the social security contributions (employer contribution) and plan participants pay the CSG, the CRDS and the social security contributions (employee contribution).

Mr. Sébastien Bazin, as executive officer of the Company with over one year of service and an annual reference compensation of more than four times the PASS, qualifies to participate in the Company's defined contribution pension plan. He will therefore be entitled to a pension annuity (with the possibility of survivor benefits). The amount is 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 8% of his annual reference compensation paid in the year concerned, capped at eight times the PASS.

However, in the case of Sébastien Bazin, the Board of Directors may decide to cancel the benefit of this plan.

- **"L. 137-11-2" defined benefit plan under Article L. 137-11-2 of the French Social Security Code**

Those eligible for this plan are the executive officer and senior executives with over six months of service and an annual reference compensation<sup>(1)</sup> of more than eight times the PASS. Members are entitled to a pension annuity (with the possibility of opting for survivor benefits).

Mr. Sébastien Bazin, as executive officer of the Company with over six months of service and annual reference compensation of more than eight times the PASS, also qualifies to participate in the "L. 137-11-2" pension plan established by the Company. This plan resulted in the purchase of an insurance policy.

Sébastien Bazin will therefore be entitled to a pension annuity (with the possibility of opting for survivor benefits).

(1) Annual reference compensation is defined as the gross annual base salary, gross variable compensation, benefits in kind and any exceptional cash bonuses paid in cash during the year in question.

This plan provides for the gradual vesting of rights, which are calculated for each year for which he was a plan member. These rights represent between 1.6% and 2.4% of the annual reference compensation, depending on the compensation brackets concerned, *i.e.*:

- portion of reference compensation representing between 8 and 12 times the PASS: 1.6%;
- portion of reference compensation representing between 12 and 24 times the PASS: 2.4%;
- portion of reference compensation representing between 24 and 60 times the PASS: 1.6%.

Rights vesting each year are capped at 3% of the annual reference compensation in question. These rights represent the final pension annuity to be paid.

Based on recommendations put forward by the Appointments and Compensation Committee, the Board of Directors decided to make payment of the annuity payable under the "L 137-11-2" supplementary defined benefit plan, subject to the following two performance conditions:

- actual versus budgeted consolidated EBITDA (50% weighting);
- actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital (50% weighting).

Benefit entitlements vest in full if the performance conditions are at least 75% met (below 75%, the vested entitlement is calculated on a straight-line basis). These performance conditions and their achievement rates are reviewed and approved each year by the Board of Directors.

The vested entitlements for any given year of plan membership therefore correspond 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 vested entitlements calculated for each year, up to a maximum of 30 points (over the course of a career).

However, in the case of Sébastien Bazin, the Board of Directors may decide to cancel the benefit of this plan.

## Directors' compensation

Note that the Chairman and Chief Executive Officer does not receive any directors' fees as a member of the Company's Board of Directors.

## Adjustment to the compensation policy

The Board of Directors may change the criteria and objectives applicable to the short- and long-term variable components of the Chairman and Chief Executive Officer's compensation if unexpected changes in the environment render these criteria and objectives inappropriate or irrelevant, as could be planned by Management for all Group employees.

Sébastien Bazin may also continue to be covered by the "Article 39" defined benefit plan, which is described in section 4.5.2.2 of the Universal Registration Document. This plan has been frozen and no new conditional benefit entitlements have been or will be allocated for periods of employment after December 31, 2019. However, in the case of Sébastien Bazin, the Board of Directors may decide to cancel the benefit of this plan.

- (v) **Compensation for loss of office:** the Board of Directors decided that the compensation payable to the Chairman and Chief Executive Officer in the event of loss of office would be equal to twice the aggregate amount of his fixed and variable compensation due for the fiscal year preceding that of the loss of office. This termination benefit would only be payable if (i) the performance criteria set by the Board of Directors are met, and (ii) his departure is involuntary, *i.e.*, if Mr. Sébastien Bazin's term of office as Chairman and Chief Executive Officer is terminated (except in the event of gross or willful misconduct) or if he is not re-elected as a director. It would not be payable if Mr. Bazin resigns or decides not to stand for re-election as a director, if he moves to a new position within the Group, or if he would be able to claim his full-rate pension within a short period of time.

The performance criteria applicable to the above allowance, set by the Board of Directors on the recommendation of the Appointments and Compensation Committee, are as follows:

- actual versus budgeted consolidated EBITDA (50% weighting);
- actual versus budgeted free cash-flow (excluding disposals and acquisitions) after change in operating working capital (50% weighting).

These performance criteria would be applied as follows:

- if the annual average achievement rate of the last three years of the criteria is equal or superior to 75%, the entire compensation is due;
- if the annual average achievement rate of the last three years of the criteria is equal or superior to 65% and below 75%, half of the compensation is due;
- if the annual average achievement rate of the last three years of the criteria is lower than 65%, none of the compensation is due.

These measures would be limited exclusively to exceptional circumstances, such as those resulting from the health crisis related to the Covid-19 pandemic.



This allows the Board of Directors to more directly account for the impact of exceptional circumstances on the Group's EBIT in particular, and, if need be, to more directly align the criteria and objectives with the Group's activities during the period in question.

The ceilings provided for in the compensation policy submitted to the vote of the shareholders may not, under any circumstances, be modified.

Any adjustments to implementation of the above compensation policy shall be decided on by the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee.

Where applicable, the use of this option by the Board of Directors will be made public as soon as possible. The reasons for this will be communicated, in particular with regard to their alignment with the interests of shareholders.

**Summary of the overall structure of the Chairman and Chief Executive Officer's compensation package**

Components	Criteria and objectives	Amount/Weighting
<b>Annual fixed compensation</b>	Determined by the Board of Directors based on the recommendation of the Appointments and Compensation Committee, taking into account: <ul style="list-style-type: none"> <li>his experience;</li> <li>his responsibilities;</li> <li>market practices.</li> </ul>	€950,000 Unchanged since January 1, 2016 <sup>(1)</sup>
<b>Annual variable compensation</b>	Annual variable compensation that varies depending on performance in relation to the following objectives: <p><b>Quantitative objectives</b> (accounting for 80% of the annual variable compensation):</p> <ul style="list-style-type: none"> <li><b>financial objectives:</b> EBITDA vs 2024 budget and free cash-flow (excluding disposals and acquisitions) after change in operating working capital vs 2024 budget;</li> <li><b>non-financial objectives:</b> Net unit growth; Percentage of managed and franchised hotels that having defined their water consumption baseline by December 31, 2024; Percentage of subsidiary, managed and franchised hotels that are eco-certified by December 31, 2024; Percentage of women in a position at least equivalent to a VP level by December 31, 2024.</li> </ul> <p><b>Qualitative objective</b> (accounting for 20% of the annual variable compensation):</p> <ul style="list-style-type: none"> <li>finalization of the TURBO organization roll-out, talent development and support for the implementation of the CSR plan.</li> </ul>	The annual variable compensation will represent between 0% and 150% of a reference amount set at €1,400,000, i.e. between 0% and 221% of his annual fixed compensation  Each quantitative objective, depending on the achievement rate, may trigger the payment of between 0% and 160% of the share of variable compensation it represents  This qualitative objective, depending on the degree to which it is met, may trigger the payment of between 0% and 120% of the share of variable compensation it represents
<b>Long-term components</b>	<b>Performance shares</b> , which vest subject to fulfillment of performance conditions decided by the Board of Directors and to continued presence in the Group.	The grants represent a maximum of 280% of annual fixed compensation, determined by the Board of Directors

(1) in light of the pandemic and the recourse to short-time working in fiscal 2020, the Board of Directors had agreed to the proposal by the Chairman and Chief Executive Officer to reduce his fixed compensation by 25% from April 1 to December 31, 2020.

The compensation policy described above will be submitted to shareholders for approval at the 2024 Annual Shareholders' Meeting. Payment of the components of variable and exceptional compensation due under the above policy will be subject to approval of the Annual Shareholders' Meeting called to approve the fiscal 2024 financial statements.

This policy takes into account the various comments expressed by investors during the vote at the 2023 Shareholders' Meeting.

**Overall structure of the Chairman and Chief Executive Officer's compensation package**

