

**REPORT OF THE BOARD OF DIRECTORS
PRESENTING THE PROPOSED RESOLUTIONS
TO BE SUBMITTED TO THE ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETING ON JULY 12, 2016**

Dear Shareholders,

The proposed resolutions are put forward as part of the acquisition (the "**Acquisition**") of 100% of the share capital of FRHI, an exempted company limited by shares governed by the laws of the Cayman Islands and registered under number MC-237438 ("**FRHI**"). The FRHI shares will be acquired from a number of entities belonging to the Qatar Investment Authority ("**QIA**"), Kingdom Holding Company of Saudi Arabia ("**KHC**") and Ontario Municipal Employees Retirement System ("**OMERS**") groups (the "**Contributors**").

FRHI is the parent company of a hotel group that operates hotels and residences under the Fairmont, Raffles and Swissôtel brands.

As part of the Acquisition, the Contributors will contribute a portion of their FRHI shares to the Company in consideration for the issue of new Accor shares representing around 16.5% of Accor's share capital. To take account of the new ownership structure after the Contribution and in compliance with the shareholder agreements to be signed on the Acquisition date, under similar terms and conditions, between Accor and the QIA entities and between Accor and the KHC entity, resolutions will also be submitted to the Shareholders' Meeting regarding changes to the membership of the Company's Board of Directors.

The identity of these directors, whose appointment will be submitted to the Shareholders' Meeting for approval, will be validated at a future Board of Directors' meeting based on recommendations put forward by the Compensation, Appointments and Corporate Governance Committee, and will be disclosed in an additional Board of Directors' report to be submitted to the Shareholders' Meeting.

For the purposes of the Acquisition, a portion of which involves a private contribution to the Company of 1,718,134 FRHI shares owned by the Contributors, shareholders are invited in the **first resolution** to approve the contribution agreement to be signed between the Company and the Contributors (the "**Contribution Agreement**") as well as the contribution (its valuation and consideration) provided for in the aforementioned Contribution Agreement and submitted for approval to the Shareholders' Meeting.

As part of the Acquisition, the Contributors will contribute 1,718,134 FRHI shares to the Company in consideration for the issue of new shares representing around 16.5% of the Company's share capital broken down as follows:

- QIA will contribute 881,280 class A FRHI shares to the Company for a total value of around €1,056,875,080.58.
- KHC will contribute 169,407 class A FRHI shares, 323,262 class C FRHI shares, and 323,262 class D FRHI shares to the Company, for a total value of around €590,833,320.94; and
- OMERS will contribute 20,923 class A FRHI shares to the Company for a total value of around €25,091,908.71.

Under the terms of the Contribution Agreement, the share contribution is valued at an aggregate amount of €1,672,800,310.24, representing €1,199.3 per class A FRHI share contributed or per pair of class C and class D shares contributed (one class A share being equal to one class C share plus one class D share).

Based on this valuation, the Contributors will receive as consideration for their contribution 46,700,000 new Accor shares broken down as follows:

- QIA will receive 29,505,060 new shares, representing around 10.5% of Accor's share capital post-acquisition;
- KHC will receive 16,494,440 new shares, representing around 5.8% of Accor's share capital post acquisition; and
- OMERS will receive 700,500 new shares.

Shareholders are also invited to note that the Contribution transaction is inseparable from the acquisition by the Company of the remainder of the shares comprising FRHI's share capital, which must take place on the same day as the Contribution, in accordance with the terms of a share sale agreement between the Contributors and the Company, dated December 9, 2015.

Subject to approval of the first resolution by the Shareholders' Meeting, the shareholders are also invited to note, as part of the **second resolution**, the fulfillment of the conditions precedent mentioned in Article 3.1 of the Contribution Agreement and the subsequent capital increase.

Based on the valuation of the contribution at an aggregate amount of €1,672,800,310.24, representing €1,199.3 per class A FRHI share or per pair of class C and class D FRHI shares contributed, shareholders are invited to approve the issue of 46,700,000 new shares to the Contributors.

Consequently, as consideration for the Contribution of 1,718,134 FRHI shares by the Contributors, this issue will result in:

- an increase in the Company's share capital for a total par value of €140,100,000 through the issue of 46,700,000 new shares, each with a par value of €3 (three euros); and
- a share premium of €1,532,700,310.24 recorded in a specific liability account on the Company's statement of financial position to which all new and existing Accor shareholders will carry rights.

The new Company shares issued as consideration for the Contribution will carry dividend rights and will be subject to all the Company's bylaws from their date of issue and an application for admission for trading on the Euronext Paris regulated market will be lodged from their issue.

The Company's bylaws will be amended accordingly to update the number of shares making up the share capital and the corresponding amount of share capital.

The purpose of the last resolution is to authorize 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.