

Statute

(Unofficial translation)

Newly amended STATUTE
with the modifications approved by the

Extraordinary General Meetings

held respectively in

Monte Carlo on 18th February 1981,

Amsterdam on 22nd February 1986,

Cannes on 21st February 1991,

Brussels on 17th February 1994,

Lugano on 2nd April 1998,

Stockholm on 22nd May 1999,

Prague on 17th February 2001,

Athens on 24th January 2004,

Milan on 27th April 2013,

Geneva on 17th April 2015,

Noordwijk aan Zee on 17th March 2017,

Act drawn up by Public Notary Marco Panvini Rosati

Index N° 98897 - Notarial deed N° 41408

Registered in Rome on 11th April 1974, N° 2639 - Vol. N° 1792 Public Acts

Modified acts drawn up by Public Notary Massimo Maria Panvini Rosati:

Index N° 4910 - Notarial deed N° 2144

Registered in Rome on 7th April 1981, N° 16672, file 1/B

Index N° 18982 - Notarial deed N° 5765

Registered in Rome on 23rd October 1986, N° 44088, file 1/B

Index N° 31486 - Notarial deed N° 8625

Registered in Rome on 16th May 1991, N° 24901

Index N° 39566 - Notarial deed N° 10275

Registered in Rome on 8th September 1994, N° 40174

Index N° 44198 - Notarial deed N° 11980

Registered in Rome on 29th July 1998

Index N° 45443 - Notarial deed N° 12538

Registered in Rome on 10th October 1999

Index N° 47122 - Notarial deed N° 13291

Registered in Rome on 30th March 2001, N° 3624,1

Index N° 49713 - Notarial deed N° 14849

Registered in Rome on 25th March 2004

Index N° 56852 - Notarial deed N° 19790
Registered in Rome on 18th June 2013

Index N° 58039 - Notarial deed N° 20616
Registered in Rome on 14th September 2015

Index N° 59341 - Notarial deed N° 21496
Registered in Rome on 19th December 2017

Section I

THE ASSOCIATION

Art. N° 1 - Establishment - Name - Duration Registered Office

The "EUROPEAN HOTEL MANAGERS ASSOCIATION - EHMA", is established with its registered office in Rome.

Art. N° 2 - Composition

General Managers or equivalent, presidents, vice-presidents, managing directors, operating owners of hotel chains, groups, and hotels of primary importance and international standing operating within Europe are eligible for election as members of the Association. Possession of the requisite qualifications for admission as a member is referred for consideration to the Management Council whose decision shall be final.

For the admission of members the "Rules for Entry" shall be observed.

Art. N° 3 - Objectives

The Association shall be non-political and shall have the following objectives:

- a. to establish and promote EHMA as the most relevant association for European luxury hotel managers in the 4 and 5-star segment
- b. To establish the EHMA AGM as THE industry event in Europe
- c. to provide members with possibilities to broaden, develop and maintain their network
- d. to give members access to industry relevant reports and allow them to share knowledge by gathering their expertise into one central location
- e. to encourage continuous collaboration with hotel schools and industry experts
- f. to enable members to develop their professional skills, offering ways to participate in educational programs
- g. to provide continued benchmarking in hotel service excellence
- h. to acquire new members and to retain existing members
- i. to maintain mutually beneficial relationships with sponsors and partners
- j. to facilitate business into new markets

Section II

MEMBERS

Art. N° 4 - Categories of Members

Members are divided into three categories:

- a. Active Members
- b. Meritorious Members
- c. Honorary Members

Art. N° 5 - Distinction of the categories

Active Members are those members who:

1. hold one of the positions contemplated under Art. N° 2 and meet the prerequisites stipulated under the "Rules for Entry" of members.
2. temporarily exercise their profession in hotel management outside Europe and maintain their status as Active members.
3. are former Hotel General Managers and EHMA members remaining active in the Industry

Meritorious Members are former active members who have a minimum of ten years of Active Membership within the Association, who have ceased performing their professional activities and who

request that their Membership status be modified for the following year, communicating the request to the Secretariat or to their National Delegate.

Honorary Members are those members who have contributed to the promotion and prestige of the Association. This category of membership shall be conferred by the Management Council.

All categories of members will receive a membership certificate which will be presented to them at their first attendance of a General Meeting.

Art. N° 6 - Membership subscription

The amount of annual membership subscription for each category of members and any variation shall be decided by the Management Council. The annual membership subscription for the new members admitted during the year shall be fixed as follows: at half fee for members accepted during the first two Management Council Meetings of the year whereas those accepted during the third Management Council Meeting will be exempted from paying the annual fee for the year of admission.

Payment of the membership subscription for each successive year must be made in advance prior to the end of December of the preceding year.

Art. N° 7 - Termination of Membership

Membership can be terminated as follows:

- a. by written resignation
- b. by dismissal decided by the Management Council
- c. for failure to pay the membership subscription as specified in Art. N°6 after two reminders

Section III

INTERNAL STRUCTURE

Art. N° 8 - Structure of the Association

The structure of the Association shall comprise:

- a. The General Meeting
- b. The Management Council
- c. The Executive Committee
- d. The Board of Arbiters
- e. The Board of Auditors
- f. The National Delegates

Art. N° 9 - Constitution of the General Meeting

The General Meeting constituted by all categories of Members shall reach its decisions by the vote of those in attendance or represented by proxy.

The General Meeting may be ordinary or extraordinary.

The ORDINARY GENERAL MEETING shall meet once a year within six months of the closing of the financial year to carry out those matters provided for hereunder.

In addition it shall meet whenever considered necessary by the Management Council.

The EXTRAORDINARY GENERAL MEETING shall meet whenever considered necessary by the Management Council or upon the request of not less than one half plus one of the Members.

Art. N° 10 - Right to vote

All categories of Members have the right to vote so long as membership fees have been settled for that year.

The Honorary members have the right to vote only if already members of the Association before the conferment of the Honorary membership.

Meritorious and Honorary Members cannot be elected National Delegate, President, First Vice-President or Vice-President.

Any Member may submit proposals to the General Meeting provided that such proposals are sent to the Secretariat of the Association thirty days before the General Meeting. Proposals can also be submitted to the Management Council.

Art. N° 11 - Convening of General Meetings

The President shall call meetings in writing, not less than two months prior to the date of the meeting specifying date, time, place of the meeting and the agenda indicating the subjects to be discussed.

Art. N° 12 - Quorum at General Meetings

An Ordinary General Meeting shall be validly constituted upon first call when not less than one third of the Members of the Association with right to vote (see Art. 10 "Right to vote") are present or represented; upon second call, which is to take place within one hour of the first call, irrespective of the number of the Members of the Association present or represented. An Extraordinary General Meeting shall be validly constituted upon first call when not less than one half plus one of the Members of the Association with right to vote (see Art. 10 "Right to vote") are present or represented, and at 2nd call, which is to take place within the next 24 hours, when one third of the Members of the Association with right to vote are present or represented. Any Member can be represented by another Member by means of proxy. A Member shall not represent more than one other Member by means of proxy. All proxies duly filled in and signed, must be submitted to the Secretariat not later than 15 days prior to the date of the election. No proxies will be accepted at the General Meeting.

Art. N° 13 - Chairman of General Meetings

The President shall act as Chairman of the Meeting, assisted by the Secretary of the Association.

In the case of vote, the Chairman may select not more than four scrutinizers.

The Secretary shall draw up the minutes of the Meeting which, after approval by the President or the two Vice-Presidents, will be sent to the Members not later than 60 days after the closing of the General Meeting.

Art. N° 14 - Resolutions at General Meetings

Resolutions shall be validly passed at meetings by a simple majority of the Members present or represented by proxy.

Art. N° 15 - Powers of the General Meeting

The Ordinary General Meeting shall:

- a. determine the general line of activity of the Association guaranteeing to it the fulfilment of its aims and take all decisions which are submitted to it by the Management Council or by the Members themselves
- b. examine the report of the President regarding the activities of the Association
- c. approve the final balance sheet of the previous year and the budget estimate for the current year, which must be sent to the Members for review at least thirty days prior to the date of the General Meeting
- d. approve the report on the balance sheet by the Board of Auditors
- e. approve the report of the Board of Arbiters
- f. discharge from all responsibilities the Executive Committee as well as the Management Council at the end of each term of office
- g. elect by secret vote and a minimum majority of 50% plus one of the members with right to vote (see Art. 10 "Right to vote") present or represented by proxy:
 - the President of the Association among the Members of the Management Council

- one First Vice-President and one Vice- President who shall be the Members of the Management Council obtaining the highest number of votes after the President If the minimum majority of 50% plus one is not reached at first call, a second ballot will be called. Only the two candidates having obtained the highest number of votes will have the right to run for the second ballot and election will be held upon simple majority.

In case of equality among one or more candidates at first call, the candidate having the longest E.H.M.A. Membership will run for the second ballot. Each remaining candidate will be entitled to address the Assembly before this second and last ballot.

- h. elect by secret vote and by simple majority of the members with right to vote, present or represented by proxy:
 - the Board of Arbiters composed of three Members: . Active and Meritorious Members limited to one per delegation may present themselves for election.
 - the Board of Auditors composed of three Members: Active and Meritorious Members limited to one per delegation may present themselves for election
- i. All above positions shall be honorary.

Countries wishing to host General Meetings, shall submit their candidature not later than two years before the official dates of the Meeting. Official presentation as well as a written provisional Preliminary Program must be submitted to the Assembly during the General Meeting held the year before. The Preliminary Program must set the exact schedule of the General Meeting

Extraordinary General Meetings shall only have power to decide upon those matters for which it has been convened and in particular those provided for in Article 27 hereunder.

Art. N° 16 - The Management Council

The Council shall be composed of the National Delegates and the Treasurer.

The Council shall be the permanent management body of the Association and decide on any matter not reserved to the General Meeting. All the powers for the ordinary and extraordinary administration are vested in it, in particular:

- a. the arrangements for the preparation of the general and financial reports and the budget estimates and final accounts to be placed before the Ordinary General Meeting
- b. the designation of representatives of the Association to all related industries upon which such representation is foreseen, requested or permitted
- c. the establishment of temporary or permanent sub-committees for the examination and study of specific problems
- d. the determination of the amount of the annual Membership subscription
- e. the decisions regarding the convocation of Ordinary and Extraordinary General Meetings and creation of the agenda thereof.
- f. the nomination of the Treasurer of the Association, also from non-National Delegates
- g. the nomination, also from among non-Members, of the Secretary of the Association
- h. the integration of the norms of the Statute with all the other rules of application and functioning of the office and internal structure.
- i. the decisions regarding any current or possible law suits
- j. the decisions regarding the admission of Members and their continuance as Members of the Association
- k. the provision by means of external consultants of legal, technical, economic and financial services
- l. the assistance to the National Delegations in the performance of their activities with a view to assuring co-ordination and cohesion with the actions of the Association
- m. upon the proposal of the President, to assign tasks to Board Members, in the form of sub-committees, to follow-up on particular matters/issues important for the Association such as:
 1. Organization of General Meetings
 2. Statute Amendments
 3. Liaison between Management Council and other bodies, such as:
 - HOTREC

- Hotel Schools - formation
- PR and media
- Miscellaneous
- 4. Organization of educational seminars, including the selection of international speakers at General Meetings.
- n. finally, the execution of other matters as are considered necessary for the attainment of the objectives mentioned in this Statute.

The Secretary or his/her Assistant shall take part in the meetings of the Management Council.

Art. N° 17 - Convening the Meetings of the Management Council

A meeting of the Management Council shall be called every three to four months, and in exceptional cases upon the request of the President or of the majority of its Members.

Meetings shall be called not less than twenty days prior to the date of the meeting. In case of urgency a meeting may be called by ten-day notice.

The meeting shall be deemed validly held when a majority of the Members of the Council are present and decisions shall be taken by majority vote of those present. The Secretary and the Treasurer are not authorized to vote. In the event of a tie, the President shall have a casting vote.

A Member of the Management Council, who is unable to attend, shall be substituted by the deputy National Delegate of the country or group of countries he/she represents. In case of absence of the President, his/her office shall be taken on by the first Vice-President.

Art. N° 18 - The Executive Committee

The Executive Committee shall be composed of the President, the First Vice-President, the Vice-President and the Treasurer. The Secretary will attend the meetings of the Executive Committee.

The Executive Committee will:

1. Act as the organ for strategic reflection for the Association.
2. Establish proposals for goals and solutions to be implemented by the Association.
3. Coordinate and follow-up the work of the Management Council.

The Executive Committee will be the Body providing the Board with very precise proposals which, after approval, can immediately be put into effect.

Since the financial aspect is of major concern, the Executive Committee will also check the financial stability of the Association, and propose a financial strategy.

The Executive Committee will meet prior to the meetings of the Management Council at least 3 times a year.

Art. N° 19 - The President

The President:

- a. shall take the chair at meetings of the Management Council
- b. shall be the legal representative of the Association vis-à-vis third parties and for legal purposes and shall be entitled to sign on behalf of the Association
- c. shall be responsible for the implementation of the decisions of the Management Council in the manner and form decided by the Council
- d. shall be responsible, subject to the agreement of the Treasurer, for the administration of the Association
- e. shall carry out decisions to call General Meetings
- f. shall stay in office for three years and shall be eligible to re-election for a second term.
- g. upon expiry of his/her term of office or if re-elected for a second consecutive term, at the end of this second term, will assume the office of Past President for a period of one year during which he/she is entitled to assist the Management Council as a full executive Member.
- h. can designate, in agreement with the Treasurer, one or more members who, together with the

Secretary can act as signatory of the Bank account in Rome, in order to facilitate the regular running of the Secretariat.

Should the President resign from office, he/she shall be replaced by the First Vice-President. In this event, the resigning President shall remain a Member of the Council, unless he/she also resigns as a Member of the Council, in which case he/she shall be substituted in this office by the deputy National Delegate of the country or group of countries he/she represents, until the expiry of the mandate. In the event of a transfer to another European country, the President shall maintain his/her office until the expiry date of the mandate and shall be substituted, for the same time, in the office of Member of the Management Council by his/her deputy National Delegate.

Art. N° 20 - The First Vice-President and the Vice-President

The Vice-Presidents:

- a. shall assist the President in the exercise of his/her functions
- b. the First Vice-President shall substitute for the President in case of his/her prolonged absence
- c. in case of indisposition or prolonged absence of one or other of the Vice Presidents, he/she shall be substituted by the Councilor obtaining the highest number of votes after the Vice-Presidents

Art. N° 21 - The Board of Arbiters

The Board of Arbiters which shall be presided over by the Member obtaining the highest vote for election thereto, shall:

- a. decide controversies between Members inter-se and between Members and the Association regarding the activities of the Association
- b. safeguard the observance of this Statute and when requested, express its opinion as to any controversies which might arise regarding its application
- c. decide all other matters affecting the standing and reputation of the Association.

The Members of the Board of Arbiters shall remain in office for three years and may offer themselves for election up to a maximum of two consecutive terms. If available as candidates for election they must present their written official candidature not less than 90 days prior to the election date.

Art. N° 22 - The Board of Auditors

Control of the financial affairs of the Association shall be delegated to the Board of Auditors which shall meet whenever the President, the First Vice-President, the Vice President, the Management Council or one of its Members so requests.

The Members of the Board of Auditors have access to the minutes of the Management Council. Audits by the Board of Auditors must be marked on the appropriate register and on all administrative documents examined.

At the closure of the financial year the Board shall verify the final accounts to be presented to the General Meeting and shall refer to these in their report which must be signed by the President of the Board.

The Members of the Board of Auditors shall remain in office for three years and may offer themselves for election up to a maximum of two consecutive terms. If available as candidates for election, they must present their written official candidature not less than 90 days prior to the election date.

Art. N° 23 - The National Delegates

A National Delegate and a Deputy National Delegate shall be Active Members and shall be elected in each of the countries, or group of countries, represented in the Association having a minimum of ten active Members.

They shall be elected by means of an electoral procedure which shall respect the principles laid down in this Statute for election of its bodies and guarantee the participation of Members resident in each of the countries concerned. The Secretariat shall be notified of the results of the election at least two months prior to the date established for the General Meeting held in the respective voting year, in order to inform all the Members in due time for the election of the President of the Association.

With a view to achieve the objectives set out in Art. N. 3 of this Statute they ideally shall arrange two meetings a year of their delegation and inform the Secretariat.

The National Delegate:

- a. is automatically a Member of the Management Council
- b. shall remain in office for three years and can be re-elected
- c. is available as candidate for President and he/she must submit his/her official candidacy in writing not less than 90 days before the date of the elections;
- d. in the event of a transfer to another country or prolonged absence his/her deputy shall succeed him/her in the office of National Delegate, and as Member of the Management Council.

Section IV

ASSETS - ESTIMATED BUDGET - FINAL BALANCE

Art. N° 24 - Assets of the Association

The assets of the Association shall derive from:

- a. the annual Membership subscription paid by Members
- b. the surplus arising each year from the management of the Association
- c. donations and bequests made in favor of the Association.

The Management Council shall decide the policy to be adopted by the Treasurer for the payment of expenses and in general for the economic and financial management of the assets of the Association. The funds of the Association shall be deposited in a bank with an account in the name of the Association and can only be withdrawn with the joint signature of the President and the Secretary of the Association however, as per art.19 point g, the President can designate one or more members to act on his behalf.

In the case of liquidation the net assets shall be distributed to bodies having aims analogous to those of the Association, any division among the Members being absolutely excluded.

Art. N° 25 - The Estimated Budget and Final Accounts

An estimated budget and final accounts shall be prepared for each financial year, which shall coincide with the calendar year, to be presented for approval to the General Meeting together with the report of the President and the Board of Auditors.

Section V

FINAL PROVISIONS

Art. N° 26 - Minutes of the Meetings

Minutes of the meetings of the Management Council must be signed by the President or the Vice Presidents and the Secretary or his/her assistant, and be kept on file.

Art. N° 27 - Amendments to the Statute and liquidation

Any revisions and/or amendments to the present Statute must be approved by an Extraordinary General Meeting, which may be convened at 1st call by a majority of not less than one half plus one of the members of the Association with right to vote (see Art. 10 "Right to vote") present or represented, and at 2nd call by one third of these Members. The 2nd call is to take place within the next 24 hours. Any future liquidation of the Association or the changing of the location of its registered office from Rome must be approved, notwithstanding the provisions of Art. N° 14 hereof, by a majority of two thirds of the members of the Association with right to vote (see Art. 10 "Right to vote") present or represented by proxy.

RULES FOR ENTRY

Any Member may recommend candidates for admission.

Candidates must fulfill the criteria in Article 2 and possess a professional background in the hotel industry of not less than ten years. Only candidates as defined in Art. N.2 will be considered for admittance.

The period spent at an internationally recognized hotel school could be considered within the required ten years of professional background.

The application form, signed by two sponsoring Members and the National Delegate shall be submitted to the Management Council for final approval.

The new Member shall be encouraged to attend the first General Meeting following his/her acceptance.

The total Membership of each nation represented in the Association shall not exceed 25% of the total of the Members with right to vote.

ANNUAL MEMBERSHIP SUBSCRIPTION

The annual Membership subscription, decided by the Management Council for each successive year, must be paid not later than the 31st December of the preceding year.

Honorary Members shall be exempt from payment of the Membership subscription.

REIMBURSEMENT OF EXPENSES

100% of travel expenses from work residence to place where Management Council/Executive Committee meetings are held shall be refunded to Councilors, except when a Management Council/Executive Committee meeting is held during the General Meeting (Ordinary or Extraordinary). Any other expenses will be paid only when authorized in advance by the President.