

2014-2018
*A vision, a programme,
a team*



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Vice-Chairman in charge of the Chefs
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Dear friends,

Our future

We are all suffering from the economic crisis, the growing competition and the market turbulences. However, we are deeply convinced that R&C has great opportunities at hand and that we will be able to exploit them successfully if we implement the right process of evolution.

The leading team

The people who will lead this process are a highly prepared, committed and motivated young team which will contribute the fresh ideas, energy and, above all, independence that we now need more than ever before.

A turning point programme (2014-18)

Aside from the Change Agenda, we will do only three things but we will do them well: to reinvent our marketing and sales system, to deliver effective services to our members and completely review the governance and management of our Association.

Our work programme is based on the previous three pillars and is composed of more than 30 initiatives and actions that have been prepared with the enthusiastic participation of many members of our family in the 5 continents. It will mark a turning point in R&C's history. Believe us! Our sales, our services to members and the governance of our Association will improve a lot from now on.



Our proposal

We will do the necessary things to help you improve the profits of your maison, increase the value of your assets and make you feel proud to belong to this exclusive group of hotelkeepers and chefs who are indeed passionate about excellence.

The Change Agenda

To achieve the above mentioned we will improve 20 things in R&C that affect important issues such as the presidency and governance, the management of the brand, the marketing and sales, the real support to the members, the way to grow, the empowerment of the Central Services, the form in which we organize ourselves globally, the internal solidarity, etc. This, and much more, is our Change Agenda.

What is in it for you?

A lot! Soon, you will feel happier and prouder to belong to R&C. The implementation of this programme will offer you more sales, more profits and more competitiveness. It will also greatly increase the renown and prestige of our dear brand around the world.

We do suggest you read our attached programme carefully. It will show you the true dimension of what we are proposing to you, the way to do it and the means to finance it.

We invite you to join us on this journey

Therefore, we invite you to join our programme and our team and support us with your vote.

Exciting times ahead!

Truly yours,

Corrado Neyroz,
*candidate for the Presidency of Relais & Châteaux
and Dominique Loiseau, Nicolas Brossard, Lisa Masias, Theresa Chiettini,
Sebastian Sun, Jon Ivar Sorensen, Julien Lahire and Tina Aponte.*



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Part A:

*Where do we want R&C to be?
The journey*

We need an ambitious vision

Without an ambitious vision, R&C will become complacent and, at best, achieve incremental improvement from the status quo. This is not enough to successfully face the crisis, beat the competition and deliver more and better benefits to the members.

We really need a vision to define the mid-term goals of R&C, to declare ambitious targets for the strategy and establish a clear measure of success. Here it is what we propose you.

The 2018 R&C vision

To become, by 2018, the global reference brand in the high-end market of boutique hotel, fine dining and lifestyle travel. Moreover, by reaching this goal, we will further increase the prestige and profits of our maisons.



“Coming together is a beginning; keeping together is progress; working together is success.”

Henry Ford

1. The “R&C’s Enhanced Vision”

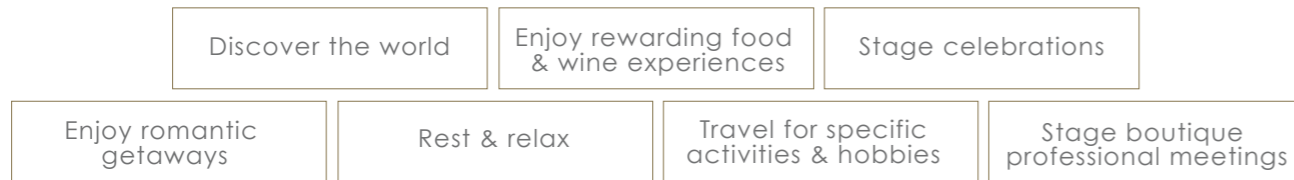
We need to reach a reasonable agreement on our “enhanced vision” which must take into account critical things such as:

- The ways of creating value for our members
- The main drivers of our business and product portfolio strategy
- The desires positioning for our Brand
- Our approach to marketing and sales
- The development model and quality control, and
- Our new governance and management system & style

In the following pages you will find the enhanced vision we propose for R&C, which of course must be fine-tuned with the Members, Delegates and Regional Vice-Chairmen during the next 3 months.

a. Implement a broader business strategy

R&C will focus on the delivery of 7 outcomes to the market:



b. Offer to the market an expanded product portfolio

To compete more successfully, our brand must expand its offer and provide 10 product categories in order to meet the current market demand and differentiate us from our competitors:



c. Successfully reposition R&C brand

The R&C brand positioning is composed of the whole of images and perceptions about what we do and how we do it, compared to our competitors. Our vision includes a re-positioning of the brand as follows:

New R&C brand positioning¹

Brand target	To the mass affluent people (30-60) who are looking for services related to the “Art de Vivre” and lifestyle travel
Brand frame of reference	R&C offers them excellent hospitality, fine dining and rewarding travel experiences
Points of difference	Hosting them in charming boutique maisons with a very high service level and an excellent cuisine
Credibility	Thanks to the best hospitality professionals, with international recognition (around 300+ Michelin stars)

(1) To be fine-tuned with Regional VPs and Delegates before May 2014.

d. RCH Reservations System: double the volume and reduce by 50% the transaction cost

Over the next four years, sales and marketing will be among our top priorities. We will fight for an average annual growth of 20% of the sales generated directly or indirectly by R&C; in other words, we intend to double our sales before 2018. At the same time we will manage to reduce by 50% the cost of each transaction.



e. Be excellent in delivering useful services to members

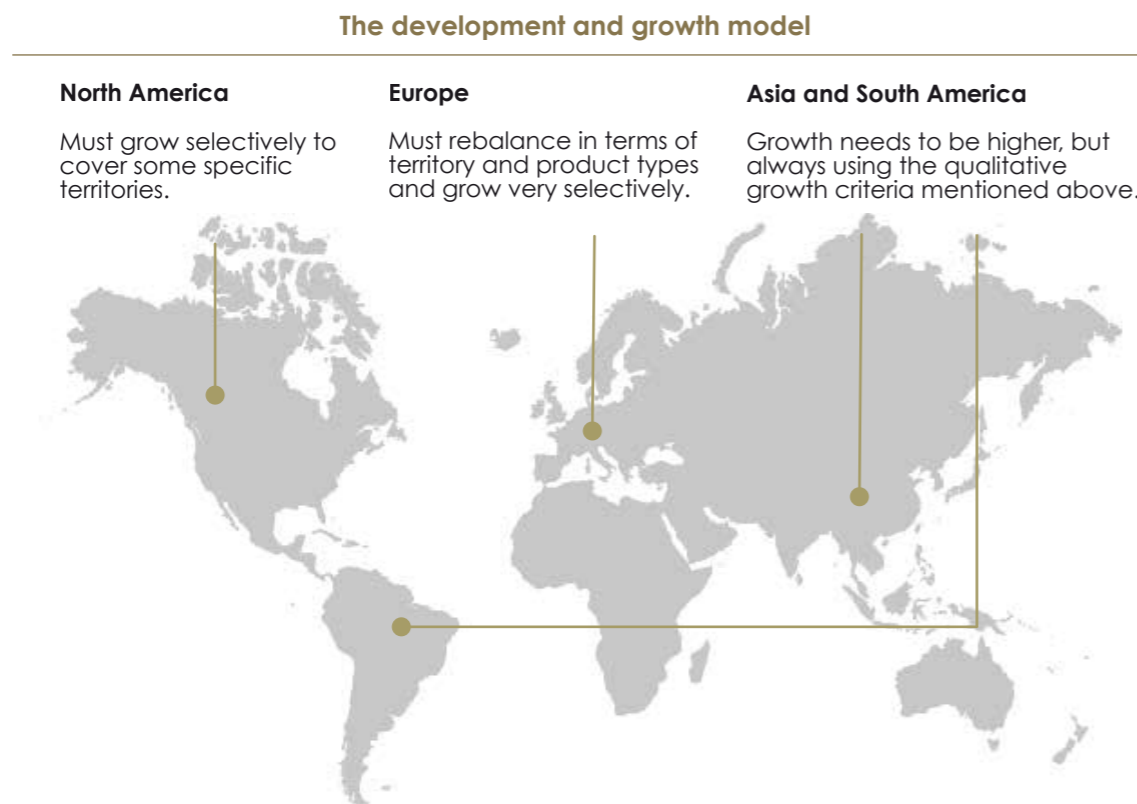
Our vision includes an absolute priority the assurance that our members get much more value and benefits. From now on the members will benefit from the following:



f. Implement a smart model of qualitative and quantitative growth

In our vision, the network's qualitative development is more important than quantitative growth. This means that we must grow in excellence, passion, innovation and members' compromise.

However, in some countries we must grow in terms of members. In some cases, this means covering certain itineraries; in others, it involves a critical mass of member properties; and in some others, meeting our current customers' demand.



Moreover, we must always respect the position of those members who are already established in the territory, and act in accordance to the Regional Vice-President and the country delegates of the region.

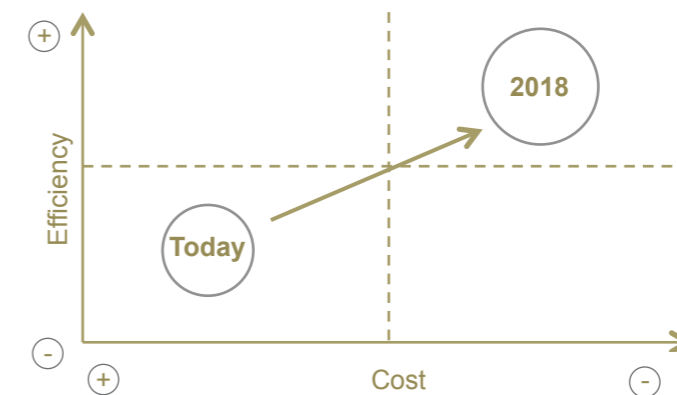
g. Strongly improve our governance and management system: better and the less costly

Our vision concerning the governance and management intends to significantly transform R&C into a much more efficient, less costly and 'glocal' system. We must become a 'global' organization with a high capability to manage things in a 'local' way in order to adapt ourselves to the rich diversity of regions of the planet and capitalize on them.

This part of the enhanced vision includes:

- The reduction of the Board of Directors size
- A higher transparency of the control mechanisms on the Board of Directors
- The creation of 5 Regional Vice-Presidencies that manage their regions
- The empowerment of the Delegates
- The implementation of a results-oriented culture in the Central Services

R&C's Governance: more efficient and less costly



2. From the past to the future: The R&C Change Agenda. The 20 things we will change in R&C

The strategic Change Agenda compares the current states, capabilities and processes of our Association and Central Services, with what they need to become over the next four years. It describes the necessary cultural, structural and operating transitions from the past to the future. Here it is the strategic change agenda we plan to fully implement in R&C from now on.

Our proposed change agenda

Governance and Management

Issue	From	To
1. Governance style	Presidential	Professional and corporate
2. Board of Directors	Costly and hardly effective	Less costly and much more effective
3. Members' Participation	Difficult	Convenient mechanisms
4. Budget transparency	Low	High, but discreet
5. HQ team	Reactive and hardly result-oriented	Proactive and totally result-oriented
6. Management objectives and deadlines	Vague	Very clear and precise
7. Development Model	Reactive	Proactive and very clear

Brand and product

Issue	From	To
8. Brand awareness	Low	Medium / High
9. Brand positioning	Luxury and a little decadent	High-end and modern
10. Cuisine & Chefs' Recognition	Low capitalisation of it, inefficient and unbalanced	Very high capitalisation of it, full and better balanced
11. Value Design	Slow and static	Constant and dynamic

Marketing and Sales

Issue	From	To
12. Offering	Rooms and tables	"Art de vivre" experiences
13. Attracting and retaining guests	Some activities	Highly efficient retaining programme
14. On-line Marketing	Just one more marketing tool	The marketing keystone
15. Cost of reservations at R&C	Medium	Low
16. Sales team	Partly result-oriented	Totally result-oriented

Service to members

Issue	From	To
17. Services to members	Adapted activities	A sophisticated and efficient system
18. Annual Congress cost and frequency	High cost and annual congress	Half the cost and biannual
19. Regional Congresses	No	Biannual
20. Proud of being part of R&C	High	Higher

Why is this important for you?

- **An enhanced decision-making**

A clear vision will make possible for us to share ambitious objectives, as well as understand the current and future business. This will also help the members, the Delegations and the Central Services to make thousands of decisions, better aligned.

- **An improved and more efficient R&C Organization**

This will improve the culture, the structure and the current processes of R&C. Our organization will be more efficient and capable of executing the necessary and important future reforms.

- **More profits and better services**

Thus, R&C will be able to create more value to the members and to the market. The members will benefit from more profits and sales, better services to improve their operations and will feel even prouder of belonging to R&C.

Part B:

How are we going to accomplish this journey? The programme

We will execute nearly 30 initiatives and actions to reach the vision and accomplish the increase of the profits of your maison, the value improvement of your assets, as well as to make you prouder of belonging to R&C.

For each of the three pillars that constitute the programme we describe the desired situation and the strategic direction to follow to reach it. Then we present the initiatives that we will implement and the benefits generated for the members. Finally we describe each initiative and the main actions that comprise it.



“Action is the foundational key to all success.”

Pablo Picasso

The programme 2014-2018

1. Implement the best Marketing and Sales System of our category

1. Getting 20 million potential new customers to know and understand our brand

- Creating R&C's Story Book and spreading the stories
- Celebrities attached to R&C
- Featuring R&C in top international media (magazines, TV and Web) targeted to mass affluent and high-end consumers.

2. Double the reservations made by our Central Services

- A sophisticated B2C on-line marketing system
- A better and cheaper reservation system
- Substantially improved Call Centres
- Reorientation of our sales people towards B2B
- Implementation of the "R&C Life" event (sales workshop)
- Roll-out of the gift certificates in Europe and USA
- A new approach to the Guide

3. Establishing long-term relations with 200,000 clients from all over the world

4. The "Cuisine" Special Programme

- Creating the website "Relais & Châteaux' Chefs and Sommeliers"
- Organising "Food and Wine Festivals" and the "R&C Chefs Symposium"
- World Conference on Cuisine by R&C

5. Developing new types of services to develop new markets

- A new system of hotel typologies and sophistication levels
- Implementing the concepts of "R&C experiences"
- Implementing "R&C Community & Shop"

2. Effective support to the members to boost their profitability

1. Offering a useful technical support service and a Centre of Knowledge & Best Practices Management

2. Developing an effective education and training programme

3. Creating a R&C professional marketplace

4. Reinventing our Meetings & reducing by 50% the Congress fees

5. Supporting the "R&C" Foundation"

3. The governance and the management of R&C: much better and less costly

1. A deep reform of the governance system: better and less costly

2. Higher transparency

3. Results-oriented headquarters

4. Better, quicker and more rigorous system of members' recruitment, admissions and exclusions

5. None of our maisons will pay more than 1.5% of its sales revenues, and Grand Chefs will not pay any extra membership

The 3 pillars of our programme



3. Implement the best Marketing and Sales System of our category

3.1 The desired situation and the strategic direction

The desired situation

R&C was created to promote its members' sales and this is still one of the main goals of our organisation. Over the next four years, sales and marketing will become one of our top priorities. We will fight for an average annual growth of 20% of the sales generated directly or indirectly by R&C; in other words, we intend to double our sales by 2018.

The strategic direction

Our budget does not allow us to invest in advertising, but we can achieve great things by working professionally in the following directions: developing the best marketing platform in our category (especially on-line marketing); implementing a radical change in our relations with the media all over the world; expanding and rejuvenating our targets and designing new ways to satisfy them.

3.2 Our 5 main marketing initiatives and their benefits for members

Initiatives

1. Launch a global PR programme with a top global PR agency
2. Double R&C's sales for its members (within 4 years)
3. Retaining and establishing relations with 200,000 clients
4. Implementing the "Cuisine by R&C" special programme (magazines & TV)
5. Developing new types of services to attract new markets

Benefits for members

- ✓ A higher notoriety, differentiation and esteem of our brand, in 20 countries
- ✓ Double sales at a much lower transaction cost
- ✓ An important increase in R&C Association's revenue to be reinvested in marketing



Some results from our new Marketing and Sales System

1

20,000,000 impacts on our target in 20 countries to help our brand and our values be known and understood

2

From 210,000 to 420,000 room night sold through R&C reservation system

3

50% reduction of the reservation costs through R&C System

4

7 additional languages available in our improved Call Centre

5

8,000 B2B contacts in four years made by our sales team

6

2,500 one-to-one contacts with tour operators in each "R&C Life" event

7

5,000,000 visits to our website "R&C Chefs and Sommeliers"

8

...and 12 other important Marketing actions



3.3 Our initiatives in more detail

1. Getting 20 million potential new customers to know and understand our brand.

We cannot achieve this through advertising, but through an intelligent system of relations with the media. This initiative consists of an ambitious programme of public relations (off and on line) deployed in cooperation with one of the top 5 PR agencies in the world which will cover 20 countries especially selected by R&C.

The main actions of this initiative are as follows:

a. Creating R&C's Story Book and spreading the stories

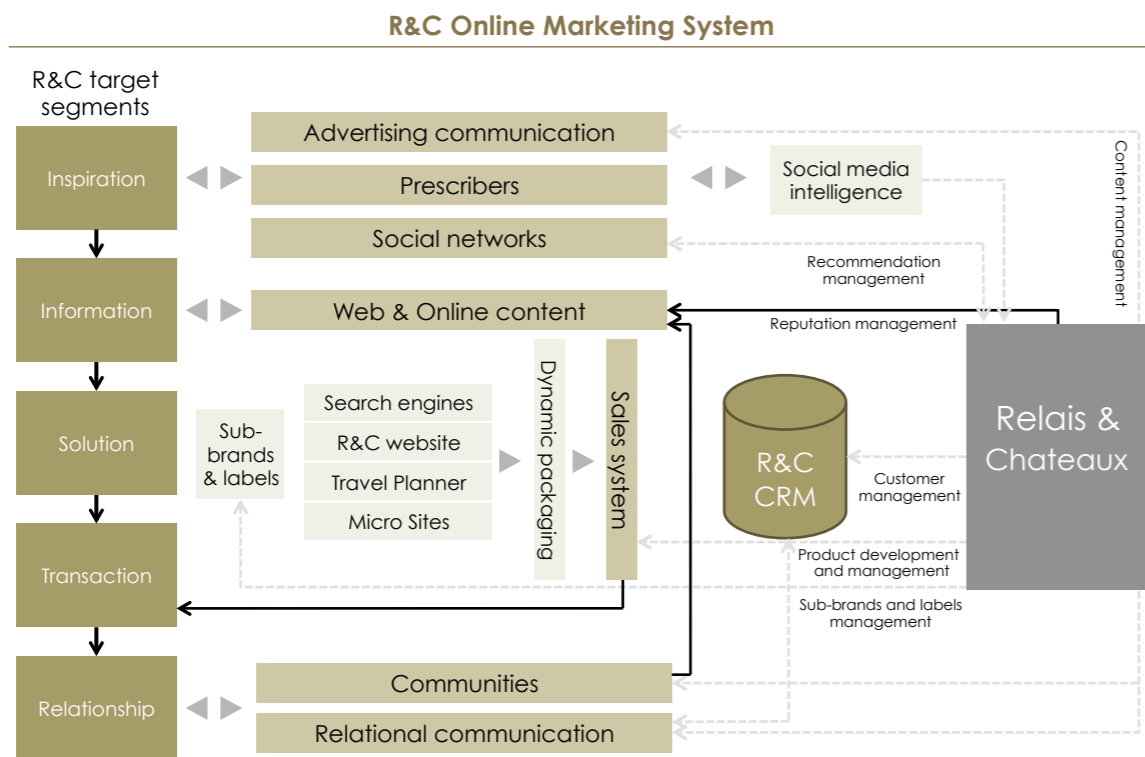
We will commission 10 renowned journalists the preparation of 10 stories on R&C's success and the "Art de Vivre" we advocate. These stories will be distributed by the PR agency to more than 1,000 very well selected media in the world.

b. Celebrities attached to R&C

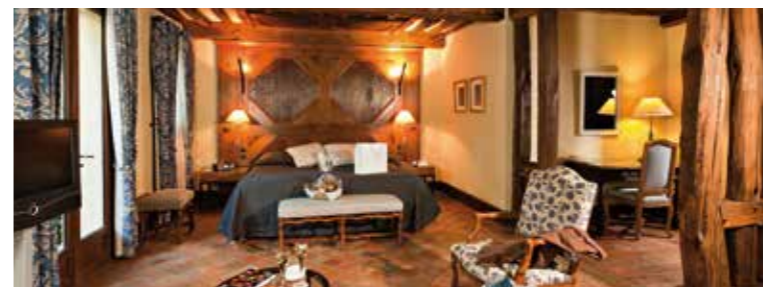
We will ask 20 celebrities who are fond of us to collaborate with interviews where they explain what they prefer amongst R&C's offer and the reasons for it. This will have a very important "testimonial effect". And, again, it will be distributed to selected media all over the world.

c. Featuring R&C in top international media (magazines, TV and Web) targeted to mass affluent and high-end consumers.

This is a high-impact programme offering to relevant international media (magazines and TV) content of exceptional quality which only R&C can produce at this level. The content will consist of interviews, recipes and recommendations from 100 R&C directors (women and man), 200 chefs and 100 sommeliers working in R&C. With this material we will create at the same time the most important "haute cuisine" website of the world and a great opportunity of growing our potential clients database (see "R&C Chefs and Sommeliers").



2. Double the reservations made by our Central Services



This ambitious goal will be the result of combining well-managed B2B and B2C systems and managing our sales team a strong results-oriented policy. The main actions of this initiative are the following:

a. A sophisticated B2C on-line marketing system

The war for customers is on line and R&C has to be there. We will create a specialised department in our HQ and we will set up alliances with external partners to ensure that our system is the best one in our category. This will include the latest in SEO and SEM, social networks management, blogging, micro-sites, mobile devices, etc.

b. A better and cheaper reservation system

Some on-line intermediaries may charge more than 20% of every transaction they do for one of our members. This has a very negative impact on their bottom line.

Members we will encourage reservations through our own channels and reduce its cost by 50% over the next 4 years.

c. Substantially improved Call Centres

Our Call Centre system is often saturated at critical moments and can only answer in a limited number of languages. We suggest outsourcing a great deal of these activities and increase the number of languages to 10.

d. Reorientation of our sales people towards B2B

Our sales strength will focus on contacting 500 current accounts and 1,500 potential accounts per year using business development techniques. This includes all kind of intermediaries and buyers.

e. Implementation of the "R&C Life" event (sales workshop)

On the occasion of our International Congress (even years) and our new Regional Congresses (odd years), we will invite an exclusive group of around 120 specialised tour operators and other types of buyers to join us in a sales workshop which will allow our members to be in direct contact with them through a prior appointment system. We estimate that every R&C Life will generate around 2,500 high quality appointments in just one day.

f. Roll-out of the gift certificates in Europe and USA

Nowadays, gift certificates are an important source of income for our association, amounting to approximately 25% of our revenue. However, they only work effectively in France. We should exploit them and double their contribution over the next 4 years, expanding them to the regions with higher potential.

g. A new approach to the Guide

The Guide is an "institution" in R&C and we all have a deep emotional bond with it. However, nowadays we need to use the enormous potential of screens (TV, computers, tablets, mobiles, etc.) to communicate our offering and spirit. We propose to transform the traditional Guide into a new, very high quality "coffee table book". This format would imply a lower print run which can even be sold to guests owing to its quality. Nevertheless, in 2014 we will keep the traditional Guide with a print run of 150,000 copies (an average of 250 per maison).

3. Establishing long-term relations with 200,000 clients from all over the world



Retaining customers is between 5 and 10 times less costly than finding new customers. We will create and implement a CRM (Customer Relationship Management) system of 3rd generation, which deepens the engagement between our customers and our maisons/restaurants.

This type of CRM aims to establish long-term relations with selected clients through bonding them to our values.

4. The "Cuisine" Special Programme



The cuisine in its three provisional variants (signature, fine/traditional and bistronomy) is one of R&C's main differentiators. No competitor can emulate R&C in this field.

We must ensure that our clients know this and that our chefs feel motivated and proud of our view of cuisine. We propose three very relevant actions.

a. Creating the website "Relais & Châteaux' Chefs and Sommeliers"

It will show all of our chefs' photos and biographies, abundant culinary information and 2,000 recipes signed by our chefs. This will undoubtedly become the best website of high-level gastronomy in the world. Best-specialized journalist of the world will become regular contributors to this site and a selected group of suppliers will sponsor it. Some "premium" services will generate extra funds for the association.

b. Organising "Food and Wine Festivals" and the "R&C Chefs Symposium"

Staged together with the "Diners des Grands Chefs", the "Festivals" and "Symposiums" will bring together our chefs and outside chefs to share their specialties and local cuisine knowledge.

c. World Conference on Cuisine by R&C

A wide scope sponsored conference aiming at showing and discussing the latest trends, technologies, innovations and ideas about cuisine. It will be held in a different region every year. It will become the meeting point of the entire world of gastronomy. A kind of "Madrid Fusión", but better, bigger and organized by R&C. The media coverage of such event could be enormous.

5. Developing new types of services to develop new markets



We will lay special emphasis on focusing our marketing strategy on a mass affluent but younger target group who is looking for the kind of experiences R&C offers: discover the world, romantic getaways, gastronomic experiences, celebrations, rest & relax, special interests and professional meetings. Among all these initiatives, we will focus on the following:

a. A new system of hotel typologies and sophistication levels.

Our maisons have a series of different characteristics which have so far been difficult to communicate. Sometimes, this leads among our guests and members to confusion or frustration. For that reason, we suggest developing a new system.

This new system, that will be developed in collaboration with the Regional Vice-Chairmen and Delegations, will deliver information on the following criteria:

- Comfort level of the maison
- Service sophistication
- Differentiation labels (ex. on the beach, historical building, etc.)
- Specialisation labels (e.g. prepared for meetings, events, weddings, etc.)
- Types of cuisine (fine/traditional cuisine, signature cuisine, bistronomy)
- Price ranking
- On-line reputation (needs further discussion)

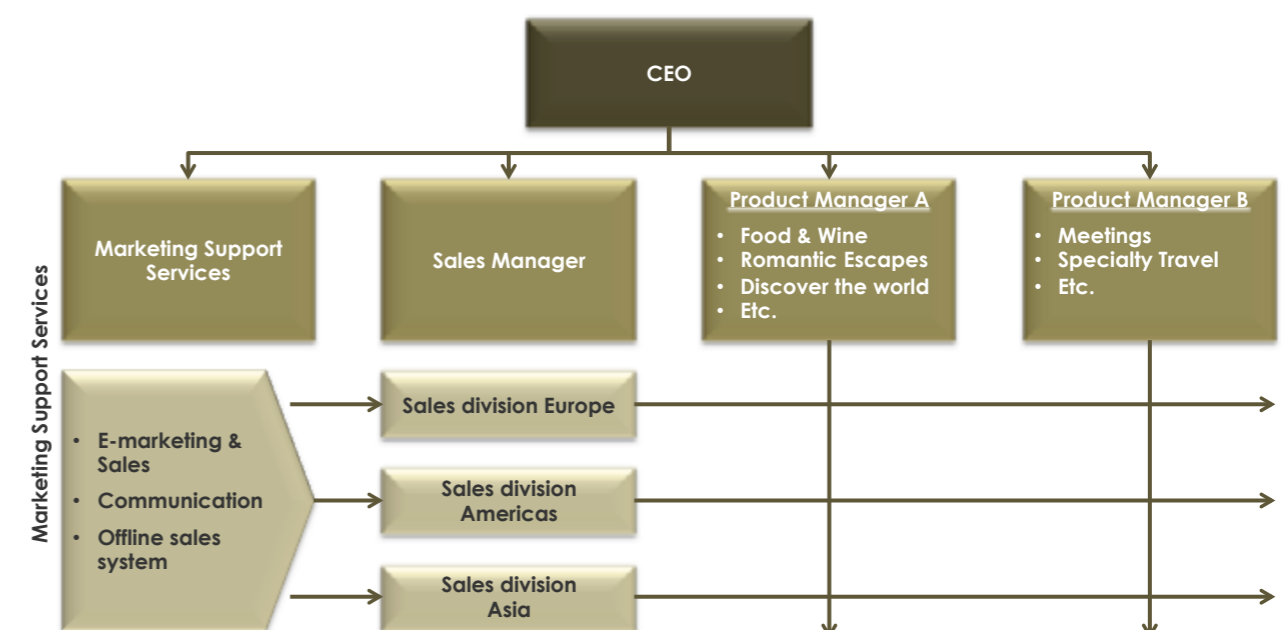
b. Implementing the concepts of "R&C experiences". This will include "Indoors experiences", "playgrounds", "itineraries" and "Explore the World by R&C" packages.

The experiences system must be developed in a flexible way that can adapt to each maison, yet guaranteeing a minimum experience. The playgrounds are the spaces which surround a R&C where customers can enjoy fascinating experiences. We must select the best part of them and recommend it to our customers. We must do something similar with the itineraries designed with the support of the Central Services. The Explore the World packages will be developed with the technical assistance of 10 high-level tour operators. The goal is to sell 40,000 nights a year of this high-end product and utilise the concept for PR strategies.

c. Implementing "R&C Community & Shop".

The aim is to create a community of faithful customers who are linked to R&C and who benefit from exclusive services, such as gastronomic events, advice on wine and delicatessen, special recipes, etc. The shop, where everyone can buy products especially selected by our maisons, will be run by specialised operators. The profits will be shared between the maisons and R&C.

Accountability chart for our Marketing & Sales Division



4. Effective support to the members to boost their profitability

4.1 The desired situation and the strategic direction

The desired situation

Our members need services which help them better manage their maisons through education and training services in marketing and leadership, as well as technical assistance services. Over the next four years, we will strengthen the Member Services Department in order to offer the highest value and turn them into a benchmark within our industry.

The strategic direction

In order to offer these services in an effective way, we must focus on those which are more relevant for members.

4.2 Our 5 main initiatives and their benefits for members

Initiatives

1. Offering a technical support service and a Centre of Knowledge & Best Practices Management
2. Developing an effective education and training programme
3. Creating a R&C professionals marketplace
4. Supporting the "R&C Foundation" and members' knowledge management
5. Reinventing the Annual Congress and developing Regional Meetings

Benefits for members

- ✓ Easier access to industry 'best practices'
- ✓ Increase in retention and decrease in staff turnover
- ✓ Faster and more effective problem solving and cost reduction
- ✓ Higher operational efficiency of their maisons and restaurants
- ✓ Improved guest satisfaction and retention

4.3 Our initiatives in more detail

1. Offering a useful technical support service and a Centre of Knowledge & Best Practices Management

We will provide our members with specialists on quality, on-line marketing, experience systems, etc. To help them increase their competitiveness. We will also develop mechanisms to share ideas, experiences and the best practices between our members, our brand new knowledge management system.

2. Developing an effective education and training programme

We will reach an agreement with a world top business school so that our members, their families and main staff receive highly qualified professional executive education made for R&C. We will optimise the education and training in different formats already in place, both virtual and in-person -for instance, the R&C Day. Optional training will be based on a pay-per-use system.

3. Creating a R&C marketplace of human resources

We will develop a platform to share professional profiles and encourage a "talent exchange" inside R&C. We must make the most of the different seasonality between the regions to encourage this exchange. At the same time, we will recruit candidates from prestigious schools and major hotel brands to be included in a database (with password) for all members.

4. Reinventing our Meetings & reducing by 50% the Congress fees

This means:

- To celebrate Regional Congresses (even years)
- To celebrate twice-yearly World Congress (odd years)
- To reduce by 50% average the fees of the World Congress via sponsoring
- To create more value for the members thanks to the creation of the sales event 'R&C Life'

5. Supporting the "R&C" Foundation"

Our program includes the achievement of several relevant sponsors to finance the work programme of the foundation. We will organise general interest activities and events to support it. Special topics (suggested): Ownership succession in small hotels and restaurants, alternative financial formats for small hotels and fine restaurants, increasing the asset value of small charming hotels and fine restaurants, etc.



5. The governance and the management of R&C: much better and less costly

5.1 The desired situation and the strategic direction

The desired situation

For 18 years, R&C's has been a presidential organization. President Jaume Tapies has managed the transition to a more open organization. The moment has come now to complete R&C's transformation into an organization governed and managed in a professional corporate way, and with a participatory leadership that maintains our traditional family spirit. The governance of the association must improve a lot and the management of R&C's enterprises must be 100% results-oriented.

The strategic direction

The governance of the association must be carried out in a more efficient, more global, more participatory and more economical way. We can do this through a Board of Directors which is more efficient, more dedicated and less costly.

The Assembly, the Delegates and the Board of Directors must be responsible for the objectives, strategies and policies. The Delegates, at the same time, must gain more weight and responsibilities in their delegations management and regional policies. The CEO and his multinational team must take care of a professional execution.

5.2 Our 5 main initiatives and benefits for members

Initiatives

1. Deep reform of the governance system: better and less costly
2. Transparent budgets and independent control commissions
3. Reframing the headquarters and offices: results orientation
4. Implementing a better adapted membership fees system
5. Redesigning the system of members' recruitment, admissions and exclusions

Benefits for members

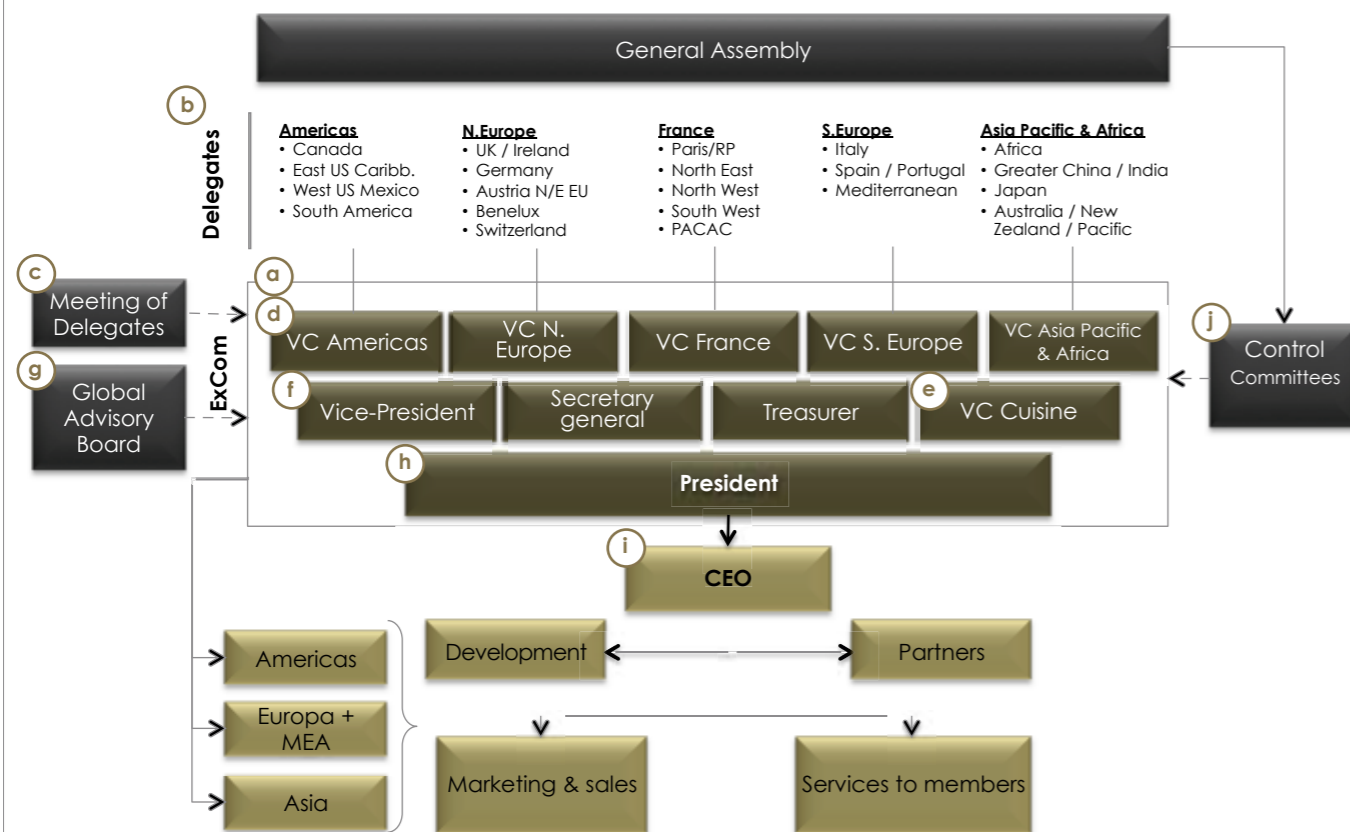
- ✓ An increase of the efficiency and a reduction of the governance costs
- ✓ A greater regional representation and the empowerment of the Delegates
- ✓ A quicker and higher quality decision-making
- ✓ And, subsequently, a major satisfaction of the members



5.3 Our initiatives in more detail

1. A deep reform of the governance system: better and less costly.

- a. Delegates and Regional Vice-Presidencies.** Our proposal is to organize the world in 5 regions (being France one of them) and 21 delegations, as indicated in the attached schema.
- b. Empowerment of the Delegates** (network development, in the coordination of the services for members, in marketing implementation, in the organization of Regional Congresses, etc.).
- c. The Meeting of Delegates** will be the highest consultative body of the Board of Directors and will hold annual meetings with the Regional Vice-Presidents to establish regional and general policies.
- d. The Regional Vice-Presidents** will be members of the Board of Directors and will coordinate the work of the Delegates to ensure that the initiatives and problems of all delegations and regions are duly considered.
- e. A Vice-President Cuisine** will ensure the BoD support and push to this great asset of R&C.
- f. A First Vice-President** will fill in for the President vis-à-vis third parties.
- g. The Global Advisory Board** will be a consultative body of the BoD and will be composed of 12 international relevant stars from major companies, science, culture, sport, media, etc. The Global Advisory Board will meet once a year to contribute with their ideas and advice to R&C.
- h. The President** will establish the strategies and policies and will lead the BoD to run the Programme. He will also lead the CEO to ensure the execution and will represent the Association vis-à-vis third parties together with the First Vice-President. Only one re-election permitted.
- i. The CEO** will implement the programme and lead 4 areas of activities: Marketing & Sales, Services to Members, Development and Partners Management.
- j.** The election system of the **Special Committees** will change and be in hands of the Assembly.



2. Higher transparency

Members want to be well-informed and in control of the Association's budget, their programmes and implementation. Our programme takes a leap forward in these directions.

a. The budgets will be public.

Even though budgets reflect an organization's strategy, and therefore we should avoid the competition gets them in each congress the bi-annual budgets will be directly presented to those members who ask for it. Furthermore, the Vice-Presidents will inform the Delegates in detail about the budget.

b. Make the Control Committees truly independent

Currently, the two commissions set up by the Association (Audit Committee and the Nomination, Remuneration, Election and Governance Committee) aren't fully independent, due to the way their members are named. Our programme includes an open election of the members of these commissions. We will restructure the organisation so that the control commissions depend on the General Assembly and not on the Board of Directors, thus preventing potential conflicts of interest.

3. Results-oriented headquarters

The Headquarters must definitely be organized in 3 areas (Marketing, Services to Members and Gift Certificates) because each one of them requires different processes, abilities and knowledge.

The marketing area will strengthen the B2B Sales Director, the Online Marketing Director and the Product Director. We will also reorganize the process to attract sponsors and the support to Delegations in their marketing projects. The big challenge will be to implement the results-oriented culture that will be based upon a real empowerment of our human resources, which are acceptable in our opinion.

4. Better, quicker and more rigorous system of members' recruitment, admissions and exclusions

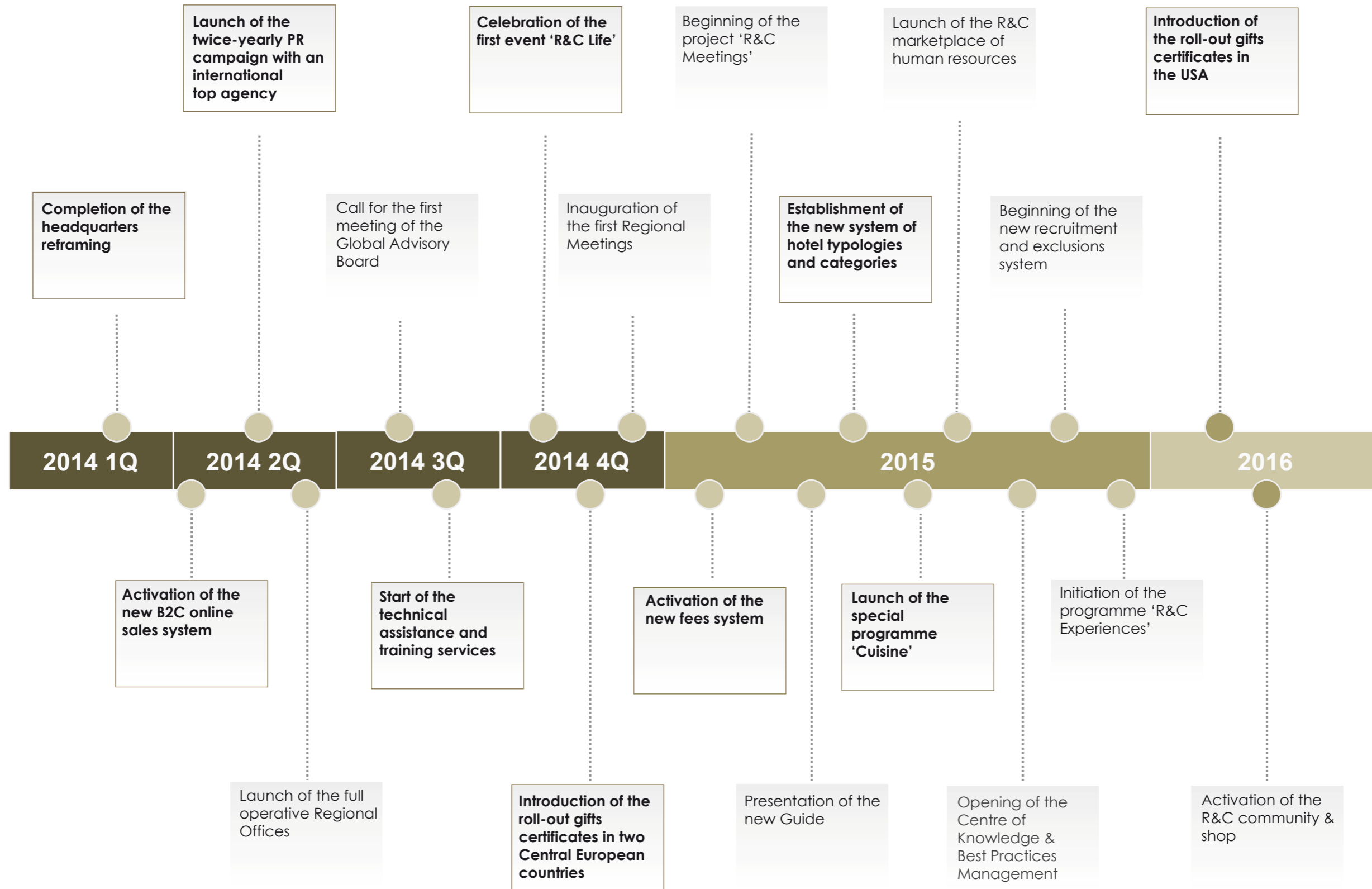
- Attracting the best professionals and maisons is critical for our future success. This requires the following:
- to combine reactive recruitment with proactive recruitment
 - to implement the applications for membership and exclusions in less than 10 weeks
 - to delegate more responsibilities to the Vice-Presidencies and Delegations concerning the recruitment and guarantee for total transparency and impartiality

The Delegates and the Regional Vice-Presidents must issue every year and by mutual agreement warnings to the members and/or membership exclusion suggestions

5. None of our maisons will pay more than 1.5% of its sales revenues, and Grand Chefs will not pay any extra membership

We are committed to review the membership fees structure so that it is fairer and more solidary. The new classification of our maisons will help us recalculate these fees correctly, so that all our members are satisfied with the cost-benefit ratio R&C offers them.

6. Our roadmap: delivering results quarterly



7. Who will lead this journey?: the team

All this will be led by an excellent team that blends tradition and modernity, youth and seniority, Europeans and non-Europeans. All are people with high energy, enthusiasm and fresh ideas, above all, who are also independent of any internal group. We all have complete freedom of action. This will contribute to the transformation that R&C needs to provide much more value to members.

This is the team that will lead this journey.

Dominique Loiseau
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Corrado Neyroz
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I grew up in my family hotels and I have been managing the Hermitage Hotel & Spa since 1993. I'm currently the Treasurer of the Association; I have been in the Relais & Châteaux Board of Directors for 12 years and President of the Italian Delegation for 8 years. R&C has given me a lot, personal and professionally. That is why I am so motivated now to give back part of what I have received. I want to contribute to consolidate and improve even more R&C successes. I am extremely motivated to take on this responsibility and I am totally committed to the Association.



I have been, proudly, Vice-President of Relais & Châteaux in the last two terms and I have been managing for the past 24 years the Relais Bernard Loiseau. I'm also Vice-president of the jury of 'Meilleur Ouvrier de France' (MOF) in the areas of Maître d'hôtel, service and arts of the table. I have been certified professor in Food Science and journalist/writer at the professional journal L'Hôtellerie.

What is special about Relais & Châteaux is the fact that it is unique. It is not a homogenised chain, but rather a collection of the finest charming hotels and gourmet restaurants in the world. We see ourselves as a big family, with strong personalities and a shared passion –we offer experiences, and a certain state of mind.



With a great experience as sommelier, I have been working at the Coutanceau Restaurant since 2003 as Restaurant manager and as co-owner since 2007. Before joining Richard and Maryse Coutanceau, I spent 6 years at Lucas Carton with Alain Senderens and 5 years with Louis XV Alain Ducasse. I like the Relais & Châteaux spirit and I have been representing from 8 years the 'Coutanceau Maison' in the regional delegations and in all the international meetings. In 2012 thanks to the hard work of our team we were awarded the most prestigious of the Relais & Châteaux trophies, the Welcome Trophée.



I represent the fourth generation of hoteliers and from 7 years I've been managing with my family our Restaurant. My great grandfather purchased this establishment, L'Auberge du Moulin Hideux, in 1960, it was the first Relais & Châteaux outside France.

I went into cooking with the idea of one day taking over the family Auberge firmly in mind. In 1999, I began a culinary trip that led me to Jacques Thorel, Michel Bras and Michel Troisgros, the Netherlands and Italy. I finally came "home" in 2005 to take advantage of what life has to offer here; Belgium has so many unexpected pleasures.

Theresa Chietini
 Vice-chairman Americas
 General Manager
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I am the General Manager of the Fearington House in North Carolina and have been a part of this wonderful property for 13 years. I am an Austrian citizen, having grown up in the Hotel Industry where my father managed many small properties throughout the Caribbean. On graduation from the University of Central Florida with a major in Hospitality, I worked at several R&C properties over the past 22 years, Meadowood in California and The Hospitz Hotel in St. Christoph, Austria and at the Hotel Rafael in Munich which is now the Mandarin Oriental. I have been a big fan of Relais & Chateaux since the beginning of my career and have enjoyed watching the association evolve into a Global entity over the past 8 years. I am passionate about the association and would like to see it continue to grow and evolve as a leading brand in today's market – especially taking into account the guests of the future and the next generation.

Jon Ivar Sørensen
 Vice-Chairman Northern
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 Owner
 Landgoed hotel Het Roode
 Koper

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Together with my wife Yolanda, I own and manage Het Roode Koper in The Netherlands for 13 years. Het Roode Koper has been in our family since 1947. As son of an industrialist father and a mother in international trade, becoming entrepreneur was somehow a given. Having worked in International Internet-growth companies, Yolanda and I decided to persuade our dream, taking over Het Roode Koper (2000). I hold a bachelor of Hotelschool The Hague, work with universities on international hospitality studies and have co-founded international hotel partnerships. R&C is to me The premium brand in the world for small sized family-owned hotels. I give all my knowledge and effort to making it successful onwards in rapidly changing 'markets'.

Sebastian Sun
 Vice-chairman Asia-Pacific
 Owner
 Le Sun Chine

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 Chine



I'm the general manager of my property Le Sun Chine. Since 2011 I have been Asia Vice-Delegate for Greater China and at the moment I'm the Asia Delegate for R&C. In 2011 and 2013 I have been authorized by RC to develop the Chinese version R&C guide and in 2012 I have organized a 240 guests gala dinner with the participation of 8 R&C member properties among them, 6 are Grand Chef. During the past 4 years I also established a strong relationship with members from all Asia delegation and with more from everywhere of the world especially through supporting the ILTM yearly organization in Shanghai. I have been working hard in developing the brand image of R&C in Asia ever since Le Sun Chine became a member and will keep on going with all my efforts.

Tina Aponte
 Vice Chairman Africa,
 Indian Ocean
 Owner
 Royal Chundu

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I grew up in our family's Mercedes-Benz dealerships in South Africa and went on to cut my teeth at a Mercedes-Benz dealership in New York for 5 years. When my father bought the properties where Royal Chundu now stands in 2005, I decided to move back to Africa in order to be part of our family's dream and vision for this magical place. This has been a dream come true for not only ourselves but the entire Royal Chundu family of staff to see this project being built from the very beginning and seeing it come to fruition as the first and only Relais & Chateaux property in Zambia. Our philosophy of building a luxury brand through empowerment of our local community has been our biggest challenge and our greatest joy. Running, owning, marketing and managing our passion to the world has given me a thorough insight into every element of our dream. It is beyond an honour to share this passion as the African representative with Corrado's remarkable team."

Liza Masias
 Tresurer
 Director for Business
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 Marketing
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It is an honour for me to join the next R&C Executive Committee and I am committed to working with the team and the Board to ensure the growth of the association in keeping with the highest hospitality values and industry. I have been working in different areas of the industry for over 30 years and like many of us, was born into a family of hoteliers. While at Cornell Hotel School, I dreamt of one day becoming a hotel member of R&C which I considered exemplary products made by remarkably talented service oriented warm people. Under the tutelage of inspiring goal driven mentors at school and at work, I have learned that we can reach our goals if we listen to trends, maintain our standards and work as a team. I was born and raised in Peru, studied in the US and have lived and worked in Brasil, France, Switzerland, Norway and Belgium and bring the voice of our South American members.

Part C:

*The financing and the benefits of this journey.
The logic behind the journey*

No matter how good a plan is. Without the right budget plans can never be fulfilled. Our team believes it is possible to finance the ambitious plan we are now presenting in the following pages and we will explain you how. This is the logic behind the magic of our programme and the important benefits it will deliver to the members.



“The best way to predict the future is to create it.”

Peter Drucker

8. Financials: the sources of funds

Our budget for marketing and services to members can substantially grow, year by year, thanks to 6 sources:

Sources of additional funds	
Source	Additional resources (net in year 2-3)
Source 1: current expenses reduction We estimate that we can save 0.5M€ by eliminating old actions and reducing our offices and travel expenses	+0.5M€
Source 2: increase in reservations revenues We will achieve this by creating the online marketing team and by activating our sales forces in the B2B arena.	+4.5M€
Source 3: new sponsoring strategy We will reinvent our sponsoring system, re-addressing it towards the fashion industry, perfumes, top level alcoholic beverages, luxury cars, financial services, etc. in every region of the world (regional offices).	+3.5M€
Source 4: gifts roll-out The success of the gifts can be exported to new countries in Europe and in the USA and generate significant additional income.	+4M€
TOTAL A (for the Association)	+12.5M€
Source 5: co-operative marketing. We suggest making great efforts in cooperative marketing. The idea is to combine money from R&C with money from other companies in order to activate marketing actions that are beneficial for both sides. For instance: a joint campaign with American Express Platinum to sell themed products of R&C.	+4M€
Source 6: Lost inventory. It is the commercialization through partners of the inventory which has not been sold. Thus, both the members and the Association win. At the same time, it is a way of presenting R&C services to new types of high-profile consumers.	+4M€
TOTAL B (for the members)	+8M€
TOTAL	+20.5M€

Sources 1 to 4 alone represent around 12.5M€ increase of our current budget. Moreover, if we activate sources 5 and 6 we will obtain 8 extra millions of euros. So we can say that in the next 2-3 years we will have around 20.5M€ incremental funds to finance a better marketing and better services to the members.

9. How this great journey will benefit you

We must offer more ROI and ROE to our members in order to attain this vision. Most of our members expect three main benefits from Relais & Chateaux.

First, members need an excellent marketing and sales system that directly generate sales and help them to market more and better their own maisons.

Second, our members demand services that help them better manage their maisons, particularly through education and training programmes in marketing and leadership as well as specialized technical assistance services.

Third and last, our members expect a high "return on emotions" (ROE) based on the pride of being a member of the Association, its family spirit and its fellowship.

Benefits for members

Marketing and sales

- A high international profile among our guests
- A considerable increase in sales at a lower delivery cost
- An important increase in R&C Association's revenue to be reinvested in marketing

Service to members

- Increase in their teams' competitiveness, a better qualified staff
- Increase the retention of our staff
- Faster and more effective problem solving
- Higher operational efficiency of their maisons

Governance and management

- A reduction of the governance costs
- A greater regional representation
- A quicker and higher quality decision-making
- And, subsequently, a major competitiveness of the brand and major satisfaction of the members

We hope this has shown you the dimension of what we intend to do, how to do it and finance it. We are convinced that this programme will bring significant benefits for you. That is why we invite you to join us and support this programme with your vote.

Exciting times ahead!

Corrado Neyroz and Team