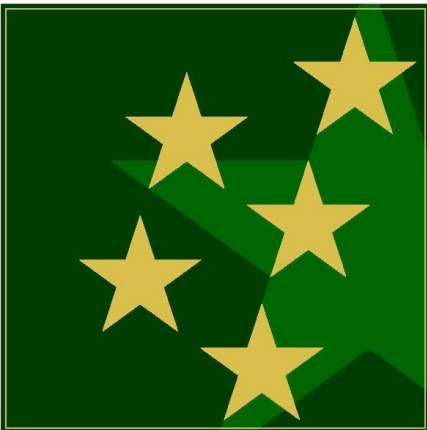


Hotel Association

Classification Procedure for Apartments & Holiday Homes 2012 - 2014



Information, January 1, 2012

1. The system

- The Austrian Classification for Apartments and Holiday Homes is a standardised system, valid all over Austria - based on the hotel classification of the Hotelstars Union (HSU) -, which offers guests a reliable guide to apartments and holiday homes.
- Classification into a particular star category is carried out, upon application by the establishment, by independent committees. Regular inspections and a system of on-going self-assessment ensure quality.
- Member businesses can choose to make use of this service feature of the professional bodies of the Austrian Federal Economic Chamber.
- This guideline applies only to apartments, holiday homes or similar accommodation holding a business licence and which offer little or no service. It also applies to apartments and holiday homes which are managed together with another accommodation, but as a separate outbuilding and with its own business licence. These guidelines do not apply to full-blown hotels and GARNI accommodation. There is a special guideline for these establishments.
- The classification criteria are - based on the HSU-hotel classification - revised every five years, are based on current market research results and reflect guests' expectations (last guest opinion survey/ Emnid Survey, summer 2008).
- The criteria catalogue for the Austrian Classification for Apartments and Holiday Homes consists of a mixed system with minimum criteria that must be fulfilled without fail, a minimum number of points and additional points. This mixture results in the number of stars to be awarded.
- Apartments and holiday homes are divided into four categories.
- The star emblems of the Austrian Classification system for Apartments and Holiday Homes are trademarked and all rights are owned by the Hotel Association.

2. General criteria for evaluation

2.1. The overall impression

Overall impression and condition (furnishings and fixtures & fittings) and immaculate standards of cleanliness and hygiene are basic pre-conditions for entry into the Austrian Classification for Apartments and Holiday Homes.

2.2. Over and above those criteria, the following are also important for classification into the particular categories:

- 2.2.1. If available: Quality of service and this includes demeanour, dress, friendliness and professionalism of management and staff.
- 2.2.2. External appearance, including access/access road, the drive up to the building, parking and garden.
- 2.2.3. The hotel's own leisure and additional facilities, for example an indoor pool, sauna, meetings rooms, garden and garage parking.
- 2.2.4. Guest satisfaction, the number of complaints and handling thereof.

3. Guidelines for the classification of apartments and holiday homes

Definition and differentiation of the individual categories¹

3.1. One star

Simple fixtures & fittings. Price-conscious clientele, looking first and foremost for an overnight stay service.

3.2. Two star

Functional but comfortable fixtures & fittings, price-conscious clientele

Differentiation to one star

The apartments are more comfortable.

Differentiation to three star

The quality of the fixtures & fittings is judged by functionality and cleanliness. The materials used are of less importance.

3.3. Three star

Upmarket and uniform but homely fixtures & fittings. Clientele require a basic overnight stay service and modest degree of comfort.

Differentiation to two star

Refined materials, larger available space, "lounge" facilities (seating, desks) in the room and in the general lounge area.

¹ For a detailed definition see Information "What do the stars stand for" at www.hotelsterne.at

Differentiation to four star

Smaller amount of space, older fixtures & fittings are possible if maintained well.

3.4. Four star

First-class fixtures and fittings, i.e. spacious accommodation with qualitatively high value, up to date fixtures & fittings, a good level of noise insulation. An extensive range of facilities (e.g. wellness, sport).

Differentiation to three star

More spacious accommodation, very high quality furnishings that are well maintained and in very good condition.

4. The classification process

4.1. The application

The hotel owner applies by sending a completed application form to the relevant professional body for entry into the Austrian Classification for Apartments and Holiday Homes and declares that he/she is in agreement with the guidelines. Application forms are available for downloading from www.hotelsterne.at. In the case of new-builds, rebuilds and expansion of accommodation an application can be filed to apply for the expected star standard before the official grading in a procedure that has been set up specifically for such eventualities.

4.2. The inspection

Using the classification guidelines, data provided by the establishment owner and the inspection visit report, a federal state committee will classify the establishment. Establishments already classified are inspected regularly within a period of 2 to a maximum of 5 years. In the course of this check, an establishment's grading can be confirmed, changed or disallowed. Committee decisions are communicated to the establishment in writing. In addition, every classified establishment takes part in a system of self-assessment. Within this process, the establishment confirms in writing to the professional bodies that the relevant criteria within its category have been fulfilled. It is the personal responsibility of every hotelier to inform the relevant professional body immediately in case of essential changes or reconstructions in the hotel. The committee can inspect the establishment unannounced at any time (including e.g. rooms that the hotelier had not prepared for the committee's visit). During the committee's visit, photos can be taken for documentation purposes.

4.3. The committees

In every federal state there is a federal state committee at the hotel sector of the Chamber of Commerce.

Committee members are appointed by the managing board of the professional body. The chair is elected by the committee members. Federal state committees reach their decisions on a majority vote. In Vienna, apartments

and holiday homes are classified by an expert committee at the Vienna Tourism Association. The constitution of this expert committee to which external professionals are also drawn, has its own rules of procedure.

4.3.1. Liability

It is agreed there will be no liability for damage resulting from slight negligence by committee members. There is also no liability for damage by other parties, for loss of earnings or achieved savings. Disclaimer of warranty applies to every level of jurisdiction and committee.

4.4. Appeals

The owner of the establishment can appeal by means of a registered written letter against a grading or non-grading into a category within four weeks after notification of the committee's written decision. The complaint must contain justification for the appeal. The appeal must be lodged with the relevant professional body. The appeal has a postponing effect unless the classification committee unanimously excludes this effect, especially in cases where the general assessment criteria for classification have not been fulfilled.

4.5. Handling of appeals

In the case of appeals a regional committee - put together by the relevant professional body in the federal state - checks the decision of the federal committee. A regional committee is made up of minimum two members from other federal states and more over one non voting member of the federal state concerned, who up until the time of the appeal has not been involved in the current classification process. The regional committee decides unanimously, will visit the establishment and write a report for the senior committee. This report has to be prepared, no matter if positive or negative. The senior committee - whose composition and procedure are modelled on the executive committee - decides within seven months and prepares a decision memorandum in which the reasons for the decision are given. The decision is sent in writing to the appeal applicant and the relevant professional body of the Hotel Association. The costs for the regional committee are carried by the establishment making the appeal.

Further enquiries: ²

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² Although much care has been taken in compiling the information, no responsibility is taken for correctness. Both the author and the Austrian Professional Hotel Association disclaim liability.