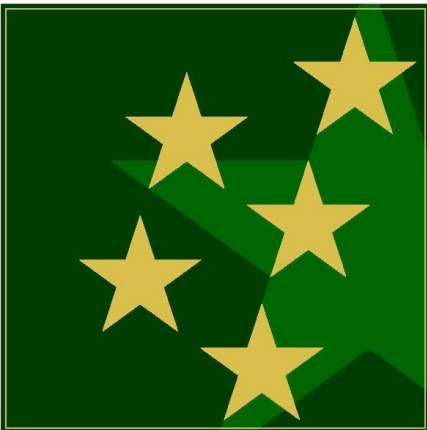


Hotel Association

**Hotel Classification
Procedure
2010 - 2014**



Information, January 1, 2010

1. The system

- The Austrian Hotel Classification is a standardised system, valid all over Austria, which offers guests a reliable guide to hotels and other accommodation. In addition, the Austrian Hotel Classification is a member of the Hotelstars Union which now has eleven participating countries in Europe.
- 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 and/or the Hotel Association of the Austrian Federal Economic Chamber.
- Guidelines for classification of hotel and other accommodation differentiate between "full-blown hotels" (e.g. hotel, guesthouse, inn) and "GARNI establishments" (bed & breakfast hotels, bed & breakfast guesthouses). The differences between full-blown and bed & breakfast establishments lie within the range of food and drink provided. Bed & breakfast businesses (GARNI) can only reach one to four-star categories.
- These guidelines do not apply to apartment houses or similar establishments that offer little or no service. There are special guidelines for these establishments.
- The classification criteria are 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 Hotel Classification 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.
- Hotels and other accommodation are divided into five categories.
- In all star categories (1-5) full-blown establishments can achieve, after inspection, the additional "Superior" quality mark.

- The Superior grades are quality and marketing labels for top establishments in their respective categories and offer a high degree of service. Superior grades are not star categories in themselves.
- To achieve Superior grades in the three-star, four-star and five-star categories, an additional, positive mystery guest check is necessary. In the one-star and two-star categories, the addition of “Superior” is awarded fundamentally on the number of points. In each case, a committee will decide on the conferring of the Superior grade.
- A list of firms that can be called upon to provide mystery guest checks in line with the Austrian Hotel Classification is to be found at www.hotelsterne.at.
- The star emblems of the Austrian Hotel Classification system are trademarked and all rights are owned by the Hotel Association.
- Fundamentally, star classification is free of charge. For 3*S, 4*S, 5* and 5*S costs incurred for mystery guest visits and an administration fee - irrespective of the actual outlay - are borne by the Austrian Hotel Classification. For 3*S and 4*S the fee is up to a maximum of 200 Euro which goes to the respective professional bodies, for 5* and 5*S this amount, as hitherto, is 950 Euro which goes to the Hotel Association, in all cases, exclusive of 20 % VAT.

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 Hotel Classification.

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

- 2.2.1. 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 hotels and other accommodation

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. One star superior

Establishments offering an “extra” in terms of hardware and/or service but not fulfilling the minimum criteria for the next category up.

3.3. Two star

Functional but comfortable fixtures & fittings, price-conscious clientele who want a basic overnight stay service but some limited amenities as well (TV, drinks etc).

Differentiation to one star

The rooms 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.

3.4. Two star superior

Establishments offering an “extra” in terms of hardware and/or service but not fulfilling the minimum criteria for the next category up.

3.5. Three star

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

Differentiation to two star

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

Differentiation to four star

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

3.6. Three star superior

Given that the hardware is good, that it is upmarket and up to date throughout the establishment, there needs to be a clear “extra” in services offered and provision of services, quality checked by a mystery guest in line with classification procedures.

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

The following conditions are necessary for mystery guest (MG) verification for three-star superior:

- The hotel commissions, on its own initiative and at its own expense, one of the listed providers (criteria 245 of the Austrian Hotel Classification 2010-2014).
- A list of possible MGs for three-star Superior is to be found at www.hotelsterne.at and is continually updated.
- Verification for a past MG visit should not be older than nine months.
- The MG verification has to take place after consultation with the relevant professional body: (Alternative 1: in the course of the application; Alternative 2: post-application, in the course of the classification process).
- In the case of a negative MG result, the professional body can impose a waiting period of up to one year before an MG can revisit.

3.7. 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. In holiday hotels especially, an extensive range of facilities (wellness, sport, gastronomy, meetings facilities) and high-level provision of service.

Differentiation to three star

More spacious accommodation, very high quality furnishings that are well maintained and in very good condition. Guests expect high-level quality service and attention.

3.8. Four star superior

Given that the hardware is uniformly 4* throughout the establishment, i.e., it is superior, qualitatively high value, immaculate and up to date, there needs to be a distinct “extra” in provision of services, quality checked by a mystery guest inspection in line with classification procedures.

The following conditions are necessary for mystery guest (MG) verification for four-star superior:

- The hotel commissions, on its own initiative and at its own expense, one of the listed providers (criteria 245 of the Austrian Hotel Classification 2010-2014).
- A list of possible MGs for four-star superior is to be found from at www.hotelsterne.at and is continually updated.
- Verification for a past MG visit should not be older than nine months.
- The MG verification has to take place after consultation with the relevant professional body: (Alternative 1: in the course of the application; Alternative 2: post-application, in the course of classification process).
- In the case of a negative MG result, the professional body can impose a waiting period of up to one year before an MG can revisit.

3.9. Five star

Exclusive, luxurious fixtures & fittings, i.e. refined, high quality and elegant materials with integrated design. Architecture, fixtures & fittings, ambience, services offered of international luxury hotel standard, clientele expects this level of luxury.

Differentiation to four-star

More luxurious, distinctive character, immaculate condition of hardware throughout. Generous spacial configuration, for instance through structural separation of bedroom and lounge areas (suites). Clientele expects uncompromising international luxury hotel amenities. Perfect service provision with high staffing levels, quality checked by a mystery guest in line with classification procedures.

The following conditions are necessary for mystery guest (MG) verification for five-star:

- The hotel commissions, on its own initiative and at its own expense, one of the listed providers (criteria 245 of the Austrian Hotel Classification 2010-2014).
- A list of possible MGs for five-star is to be found at www.hotelsterne.at and is continually updated.
- Verification for a past MG visit should not be older than nine months.
- The MG verification has to be attached to application for classification.
- In the case of a negative MG result, the five-star committee can impose a waiting period of up to one year before an MG can revisit.

3.10. Five-star superior

Given that the hardware is uniformly 5* throughout the establishment, i.e., it is luxurious, qualitatively high value, refined, flawless and up to date, there needs to be a clear “extra” in services offered and service provision, quality-checked by a mystery guest visit in line with classification procedures.

The following conditions are necessary for mystery guest (MG) verification for five-star superior:

- The hotel commissions, on its own initiative and at its own expense, one of the listed providers (criteria 245 of the Austrian Hotel Classification 2010-2014).
- A list of possible MGs for the five-star category is to be found from at www.hotelsterne.at and is continually updated.
- Verification for a past MG visit should not be older than nine months.
- The MG verification has to be attached to application for classification.
- In the case of a negative MG result, the five-star committee can impose a waiting period of up to one year before an MG can revisit.

4. The classification process

4.1. The application

The hotel owner applies by sending a completed application form to the relevant professional body (1* to 4* and 1*S to 4*S) or to the Hotel Association (5* and 5*S) for entry into the Austrian Hotel Classification and declares that he/she is in agreement with the guidelines. Application forms are available for downloading from www.hotelsterne.at. After forwarding, and application checks by the relevant authorities the applicant receives a pin code to enable him/her to fill in the data entry form for classification electronically. 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, either a federal state committee or a five-star 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 or the Hotel Association 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

4.3.1. One to four star and one to four star Superior. 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, hotels and lodgings establishments 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.

4.3.2. Five star

At federal level for Austria, a five-star committee is arranged by the Hotel Association. Its members are appointed by the managing board of the Hotel Association according to the rules of procedure for 5-star committees. In each case, the chair is elected locally in the course of

the classification visit by the committee members. Committee members have no voting rights in their own federal state. Five-star committees require a quorum of three members with voting rights to make decisions and these are passed on a majority vote. In case of new applicants, the committee can reject inspection of any establishment that does not fulfil the minimum criteria. This takes place after consultation with the relevant professional body and scrutiny of the facts. Any changes involving operator or insolvency must be reported to the Hotel Association.

4.3.3. 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 hotel body (one to four star and one to four star superior), or with the Hotel Association (five star and five star superior). 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

4.5.1. One to four star and five star

In the case of one to four star establishments, a regional committee - put together by the relevant professional hotel body in the federal state - checks the decision of the federal committee. In the case of five-star establishments, an inspection committee checks the decision of the five-star 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. A five-star inspection committee is made up of minimum three members of the five-star committee chosen by the director of the Hotel Association who up until the time of the appeal have not been involved in the current classification process.

The regional committee decides unanimously, the 5-star-inspection-committee with a majority of votes. Regional and/or inspection committee 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 Asso-

ciation. The costs for the regional and/or inspection committee are carried by the establishment making the appeal.

4.5.2. Superior grading and 5* mystery guest visits

The owner of the establishment can appeal by registered letter to the relevant professional body (1*S - 4*S)/to the Hotel Association (5*S) against not being given superior grading within four weeks after written notification of the committee's decision.

Should the classification committee come to a negative decision in respect of criteria fulfilment, in the case of appeal, a regional committee will be set up by the professional body or an inspection committee arranged by the Hotel Association. These committees will prepare an expert opinion report for the senior committee after a second inspection visit.

The senior committee will decide within seven months. The establishment will receive notification about the decision from the Hotel Association.

In the case of an appeal against a negative mystery guest decision, the professional body/Hotel Association will engage the services of a state-certified, hotel sector expert who will subject the establishment to second mystery guest report. The decision is issued by the relevant professional organisation.

Should the mystery guest check as well as the classification by the committee have a negative outcome and there is an appeal, provision is made for the second mystery guest report executed by a state-certified expert and for the regional committee or inspection committee to revisit the establishment. The decision comes from the senior committee and the applicant is notified by the Hotel Association.

Expenses for the expert opinion report and for the regional committee/inspection committee are to be borne by the appeal applicant.

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.