

MELIÁ HOTELS INTERNATIONAL, S.A. (the “**Company**”), in accordance with the provisions of article 228 of the Royal Legislative Decree 4/2015, of 23 October, that approves restated text of the Securities Market Law, announces to the National Securities Market Commission the following:

SIGNIFICANT EVENT

Pursuant to article 24 of the By-Laws and according to the decision of the Board of Directors held on March 23, 2018, on today's date the notice of call of the General Shareholders' Meeting of MELIÁ HOTELS INTERNATIONAL, S.A. to be held on June 6, or June 7, 2018 on first call and second call, respectively, at the Convention Center of the "Gran Melia Victoria" Hotel, located in Palma, Avenida Joan Miró, 21, has been published in the Official Commercial Registry Gazette (*Boletín Oficial del Registro Mercantil*), a copy of which is attached as per article 516.2 of the Royal Legislative Decree 1/2010, of 2 July, that approves restated text of the Spanish Companies Act.

On this same date, the Company has published on its website (www.meliahotelsinternational.com) the notice of call, the full text of the proposed resolutions and the other information to be submitted to the General Shareholders' Meeting. This information, together with the rest of the required documentation, will be available to all shareholders, uninterruptedly, from now on and up to the holding of the Ordinary General Shareholders' Meeting.

Likewise, the proposals for resolutions to be submitted by the Board of Directors to the General Shareholders' Meeting, together with the mandatory reports and other information related to the Ordinary Shareholders' General Meeting, are attached hereto.

Palma, 27th April 2018

MELIÁ HOTELS INTERNATIONAL, S.A.

Call for Ordinary Shareholders' General Meeting

By virtue of resolution of the Board of Directors of Meliá Hotels International, S.A., at its meeting held on March 23, 2018, shareholders are called to attend the Ordinary General Shareholders' Meeting to be held at the Convention Center of the "Gran Meliá Victoria" Hotel, at Avenida Joan Miró 21, Palma, at 1:00 p.m., on June 6, 2018 on first call, or, in the event that the legally required quorum is not met, they are likewise hereby called to attend on June 7, 2018 at second call, in the same place and at the same time, with the Agenda set out below.

AGENDA

ONE. Annual Accounts and Management of the Company

1.1.- Examination and approval, where applicable, of the Annual Accounts (Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements) and Management Report for both Meliá Hotels International, S.A. and its Consolidated Group, for financial year ended December 31, 2017.

1.2.- Examination and approval, where applicable, of the management of the Company by the Board of Directors for the financial year 2017.

TWO. Allocation of results for the financial year 2017.

THREE.- Re-election of Mr. Juan Arena de la Mora.

FOUR.- Fixing of the number of Board of Directors' members .

FIVE.- Re-election of the Auditors of Meliá Hotels International, S.A. and of its Consolidated Group for the financial year 2018.

SIX.- Appointment of the Auditors of Meliá Hotels International, S.A. and its Consolidated Group for the financial years 2019, 2020 and 2021.

SEVEN.- Approval of the amendment to directors' remuneration policy applicable to the financial year 2018.

EIGHT.- Approval of the directors' remuneration policy applicable to the financial years 2019, 2020 and 2021.

NINE.- Determination of the maximum amount of remuneration for Directors in their capacity as such.

TEN.- Consultative vote on the Annual Report on Directors' Remuneration.

ELEVEN.- Information related to the Euro Commercial Paper Program.

TWELVE.- Delegation of powers to interpret, correct, supplement, develop, formalize and execute the resolutions adopted by the Shareholders' General Meeting.

INFORMATION RIGHT

As from the date of publication of this call to the General Meeting, shareholders shall have the right to examine and obtain at the Company's registered office (C/ Gremio Toneleros 24, 07009 Palma, Spain), to examine on its corporate website (www.meliahotelsinternational.com) and to request the delivery or dispatch free of charge of the documents referred to in all the points which are going to be submitted for the approval of the Shareholders' General Meeting, as well as consultative points of the agenda, including the full text of proposed resolutions and the mandatory reports, in particular the management report and the auditor's report, as well as the reports of the Board of Directors.

The Annual Report on Corporate Governance for the year 2017 approved by the Board of Directors on March 23, 2018, this notice of call, information concerning the number of shares and voting rights existing as of the date of this call, and the necessary forms for proxy representation and absentee vote; will be also available to the shareholders at the Company's registered office and on the corporate webpage.

In accordance with the provisions of articles 197 and 520 of the Spanish Companies Act, shareholders may request to the Board of Directors, on writing until the fifth previous day to the date of the Shareholders' General Meeting, or verbally during its celebration, any information or clarifications they may deem necessary about the auditor's report, regarding the points included in the agenda of the general meeting and the information available to the public that the Company may have submitted to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) from the celebration of the previous Shareholders' General Meeting.

Information rights shall be exercised in accordance with the statutory provisions and the provisions contained in the document of rights to information, absentee vote and proxies for the Shareholders' General Meeting of Meliá Hotels International, S.A., available on the corporate webpage (www.meliahotelsinternational.com).

SUPPLEMENT TO THE NOTICE OF CALL AND SUBMISSION OF PROPOSED RESOLUTIONS

In accordance with the provisions of Article 519 of the Spanish Companies Act, shareholders representing at least three per cent (3%) of the share capital, may request the publication of a supplement to the call of the General Meeting including one or more items on the Agenda, provided that those items are duly justified or, as the case may be, accompanied by a duly justified proposed resolution.

Shareholders representing at least three per cent (3%) of the share capital may likewise submit reasonable proposed resolutions concerning items already included or that should be included on the Agenda.

Exercise of these rights shall be done by means of a reliable notification –addressed to the registered office of the Company (C/ Gremio Toneleros 24, 07009 Palma, Spain)–

that shall be received within the five (5) days following the date of publication of the present notice of call. The Company will ensure the circulation of such proposed resolutions and any attached documents via its website (www.meliahotelsinternational.com), in accordance with the applicable law.

Such notice shall include the shareholder's or shareholders' name, and shall be accompanied by the relevant documentation to evidence such condition.

The supplement of the notice of call will be published, at least, fifteen (15) days in advance to the date indicated for the Shareholders' General Meeting.

SPECIAL MEANS OF INFORMATION – ELECTRONIC SHAREHOLDERS' FORUM

In accordance with the provisions of Article 539 of the Spanish Companies Act, Meliá Hotels International, S.A. has enabled an Electronic Shareholders' Forum which shall be accessible through the corporate website until the day the General Shareholders' Meeting is held.

Access to the Forum, and the terms and conditions regarding its use and operation are established in the Electronic Shareholders' Forum Regulations, that is available in the corporate website (www.meliahotelsinternational.com).

ATTENDANCE RIGHT

In accordance with the provisions of Article 22 of the Bylaws, shareholders that hold at least 300 shares (individually or jointly with other shareholders that designate one of them to represent them) registered in their name in the corresponding book-entry registry, within five days in advance of the date on which the Meeting is to be held, that are up to date in respect of capital calls' payments, and that maintain such number of shares until the date of the General Meeting, will be entitled to attend the meeting.

Attendance cards will be issued by the relevant participating entities in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), in charge of keeping the book-entry registry of the Company. Such entities shall send to Meliá Hotels International, S.A., before the date established for the General Shareholders' Meeting, a list of the cards which have been issued at the request of their respective clients.

Registration of attendance cards shall begin one hour before the General Meeting.

ABSENTEE VOTE AND PROXY REPRESENTATION

(a) Absentee vote:

Absentee votes may be submitted by post (C/ Gremio Toneleros 24, 07009 Palma, Spain), fax (971224515) or e-mail (atencion.accionista@melia.com), by sending to the Company (i) the corresponding attendance card issued by the aforementioned entities responsible for keeping book-entry registry of the Company's shares with the section containing the formula for absentee vote completed, along with a copy of the shareholder's national identity card or passport, or (ii) the form for absentee vote placed

at shareholders' disposal on the Company's website (www.meliahotelsinternational.com).

(b) Proxy:

Every shareholder having the right to attend may be represented at the Shareholders' General Meeting by another person, pursuant the requisites and formalities required under the Bylaws, the Regulations of the General Shareholders' Meeting and in accordance with the law. Representation must be conferred specially for each Meeting and will always be revocable. Attendance of shareholders to the General Meeting in person shall have the effect of revoking the proxy granted.

Furthermore, the proxy will be revocable through the same means by which it was granted. In the event of a public request for representation, the provisions of Articles 186, 187 and 526 of the Spanish Companies Act shall be observed.

Appointment of a representative by a shareholder and notice to the Company of that appointment or its revocation, as the case may be, may be accomplished by post (C/ Gremio Toneleros 24, 07009 Palma, Spain), fax (971224515) or e-mail (atencion.accionista@melia.com), delivering to the Company (i) the proxy form conferring representative authority and, as the case may be, voting instructions; or (ii) the corresponding attendance card issued by the entities responsible for keeping the account records of the Company's shares with the section containing the form for conferral of representation completed and, as the case may be, instructions for the exercise of the voting rights, along with a copy of the shareholder's and the representative's national identity cards or passports.

The attendance card or proxy form completed and signed by the shareholder may also be presented to the personnel in charge of attendance registration, along with the documents evidencing the shareholder's identity (copy) and the representative's identity (original), by the designated representative attending the General Meeting in the place and on the date scheduled for the General Meeting prior to its beginning. That presentation will operate as notice for purposes of the provisions of article 522 of the Spanish Companies Act.

Proxy form is available to shareholders at the Company's website (www.meliahotelsinternational.com).

(c) Common provisions:

Proxies and absentee votes received by postal mail, fax or electronic mail as well as the appointment and notification of the representative by electronic means will be admitted provided that they are received at least twenty-four (24) hours prior to the beginning of the Shareholders' General Meeting and they fulfil with stipulated requirements, notwithstanding personal presentation of the attendance card or proxy form by the shareholder representative to the personnel in charge of attendance registration, prior to General Meeting's beginning.

Absentee vote and proxies rights shall be exercised in accordance with the statutory provisions and the provisions contained in the document of rights to information, absentee vote and proxies for the Shareholders' General Meeting of Meliá Hotels

International, S.A., available on the corporate webpage (www.meliahotelsinternational.com).

PRESENCE OF NOTARY

In accordance with the provisions of Article 203 of the Spanish Companies Act and Article 29.3 of the Bylaws, the Board of Directors has resolved to request the presence of a notary to attend Shareholders' General Meeting and to prepare the Minutes of the General Meeting, which will serve as the Minutes thereof and preclude the need for a specific resolution to approve the Minutes.

PERSONAL DATA PROTECTION

Shareholder's personal data provided to the Company or submitted by the bank entities and the companies and agencies in which the shareholders might have deposited their shares, through the entity in charge of keeping the book-entry registry of the Company, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), will be processed as follows:

Data controller: MELIÁ HOTELS INTERNATIONAL, S.A., with registered office at Calle Gremio Toneleros, 24, 07009 Palma de Mallorca.

Purpose: manage development, observance, and control of the relationship between the Company and shareholders regarding notice of call and the General Meeting.

Entitlement: your personal data will be processed for the observance of Company's legal obligations.

Recipients:

- The entity in charge of keeping the book-entry registry of the Company, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR)
- Public Administrations, in the cases provided by Law.
- Registries and Notaries, in the cases provided by Law.

Rights: to access, rectification, to erasure, to object, to restriction of processing and to data portability.

In case you wish to obtain more information regarding the processing of your personal data, please check our Privacy Policy available in the corporate website (www.meliahotelsinternational.com).

ADDITIONAL INFORMATION

It is expected that the General Shareholders' Meeting will be held on first call, that is, on June 6, 2018, at the place and time indicated in this notice.

For further information please contact us by telephone at shareholders' information telephone number, from nine to two and from four to seven hours (09:00 to 14:00 and 16:00 to 19:00), on working days.

Shareholders' information telephone number: 971 22 45 54.

Email: atencion.accionista@melia.com

Palma, April 23, 2018. Luis María Díaz de Bustamante y Terminel Secretary to the Board of Directors

Luis M^a Díaz de Bustamante y Terminel, Attorney
Director-Secretary to the Board of Directors of
MELIÁ HOTELS INTERNATIONAL, S.A.

**COMPLETE TEXT OF THE RESOLUTION PROPOSALS
TO BE SUBMITTED TO THE ORDINARY GENERAL SHAREHOLDERS' MEETING
OF MELIÁ HOTELS INTERNATIONAL, S.A.
ON JUNE 6, 2018 ON FIRST CALL OR
ON JUNE 7, 2018 ON SECOND CALL**

POINT ONE. Annual Accounts and Management of the Company

1.1.- Examination and approval, where applicable, of the Annual Accounts (Balance Sheet, profit and loss account, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements) and Management Report for both Meliá Hotels International, S.A. and its Consolidated Group, for the financial year ended December 31, 2017.

The following proposal is submitted for the approval of the Meeting:

"To approve the Annual Accounts (Balance Sheet, profit and loss account, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements) and Management Report, for both Meliá Hotels International, S.A. and its Consolidated Group, for financial year ended December 31, 2017, verified by the auditor of the Company, PricewaterhouseCoopers Auditores, S.L."

1.2.- Examination and approval, where applicable, of the management of the Company by the Board of Directors for the financial year 2017.

The following proposal is submitted for the approval of the Meeting:

"To approve the management of the Company by the Board of Directors corresponding to the financial year 2017."

POINT TWO. Allocation of results for the financial year 2017.

The following proposal is submitted for the approval of the Meeting:

"To approve the allocation of the results for 2017 financial year which, as it transpires from the approved income statement, amounts to an income of 77,024,410.00 euros, as follows:

To voluntary reserve: 38,411,840.00 euros

Distribution of a gross dividend of € 0.1681 per share among the shares of the Company in circulation with the right to receive dividends, charged against the results of the year.

The distribution of dividends is resolved pursuant to the provisions of articles 273 through 276 of the Spanish Companies Act. Such dividend will be paid on July 10, 2018, being the payment agent the entity to be appointed by the Board of Directors of the Company, through the entities participating in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("Iberclear") and according to applicable regulations."

POINT THREE.- Re-election of Mr. Juan Arena de la Mora

The following proposal is submitted for the approval of the Meeting:

"To re-elect Mr. Juan Arena de la Mora as Director, for the statutory period of four years upon the proposal of the Appointments and Remuneration Committee and following the relevant report issued by the Board of Directors.

In accordance with article 529 duodecies of the Spanish Companies Act, he will be considered as an Independent Director".

POINT FOUR.- Fixing of the number of Board of Directors' members.

The following proposal is submitted for the approval of the Meeting:

"To fix the number of members of the Board of Directors of the Company at eleven (11), pursuant to the provisions of Article 242.1 of the Spanish Companies Act, Article 31.2 of the Bylaws and Article 8 of the Regulations of the Board of Directors."

POINT FIVE.- Re-election of the Auditors of Meliá Hotels International, S.A. and of its Consolidated Group for the financial year 2018

The following proposal is submitted for the approval of the Meeting:

"In accordance with the proposal made to the Board of Directors by the Auditing and Compliance Committee, the reelection as Auditor, in order to review the Annual Accounts and Management Report for both the Company and the consolidated Group corresponding to the financial year 2018, of the firm PricewaterhouseCoopers Auditores, S.L., with registered office at E-28046-Madrid, Torre PwC, Paseo de la Castellana 259 B, Tax Identification Number B-79031290, registered in the Mercantile Registry of Madrid, sheet 87250-1, page 75, volume 9267, book 8054, section 3; and registered in the Official Registry of Accounts Auditors under number S0242.

To empower the Board of Directors with the specific and necessary powers, as broad as required and necessary in Law, including the power to, in turn, delegate them to any of its members, in order to proceed with the subscription, formalization and materialization with PricewaterhouseCoopers Auditores, S.L. of the corresponding agreement on the exercise of the latter as Auditor of the Company, with the agreements, clauses, terms and conditions deemed convenient, as well as to make any pertinent amendments to it pursuant to the legislation in force at any given time."

POINT SIX.- Appointment of the Auditors of Meliá Hotels International, S.A. and its Consolidated Group for the financial years 2019, 2020 and 2021.

The following proposal is submitted for the approval of the Meeting:

"To appoint, following the proposal of Appointments and Remuneration Committee submitted to the Board of Directors, the firm Deloitte, S.L., as auditor of the Company, in order to review the Annual Accounts and Management Report for both the Company and the consolidated Group for the financial years 2019, 2020 and 2021.

Deloitte, S.L., is company with registered office at Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid, with Tax Identification Number B-79104469, and being registered in Official Registry of Accounts Auditors under number S0692.

To empower the Board of Directors with the specific and necessary powers, as broad as required and necessary in Law, including the power to, in turn, delegate them to any of its members, in order to proceed with the subscription, formalization and materialization with Deloitte, S.L. of the corresponding agreement on the exercise of the latter as Auditor of the Company, with the agreements, clauses, terms and conditions deemed convenient, as well as to make any pertinent amendments to it pursuant to the legislation in force at any given time.”

POINT SEVEN.- Approval of the amendment to directors’ remuneration policy applicable to the financial year 2018.

The following proposal is submitted for the approval of the Meeting:

“To approve, pursuant to the provisions of Article 529 novodecies of the Spanish Companies Act and article 37 of the Bylaws of the Company, and following Appointments and Remuneration Committee’s proposal, the amendment of directors’ remuneration policy approved on 23 June, 2016, and applicable until the end of its effective term.”

POINT EIGHT.- Approval of the directors’ remuneration policy applicable to the financial years 2019, 2020 and 2021

The following proposal is submitted for the approval of the Meeting:

“To approve, pursuant to the provisions of Article 529 novodecies of the Spanish Companies Act and article 37 of the Bylaws of the Company, and following Appointments and Remuneration Committee’s proposal, the directors’ remuneration policy for financial years 2019, 2020 and 2021.”

POINT NINE.- Determination of the maximum amount of remuneration for Directors in their capacity as such

The following proposal is submitted for the approval of the Meeting:

“To approve, pursuant to the provisions of article 37.1 of the Bylaws of the Company, the maximum amount to be payable as directors’ remuneration in their capacity as such, in ONE MILLION TWO HUNDRED THOUSAND EUROS (€ 1,200,000), being such amount applicable for remunerations corresponding to financial year 2018, and that shall be valid until next General Shareholder’s Meeting decision. Determination of directors’ individual remuneration shall be agreed by the Board of Directors, that shall take the duties and responsibilities of each director, their participation in executive committees and any other objective and relevant circumstances into consideration.

POINT TEN.- Consultative vote on the Annual Report on Directors’ Remuneration.

The following proposal is submitted for the advisory vote of the General Meeting:

“To approve the Annual Report on Directors’ Remuneration prepared by Appointments and Remuneration Committee, that has been previously approved by the Board of Directors of Meliá Hotels International, S.A. held on March 23, 2018”.

POINT ELEVEN.- Information related to the Euro Commercial Paper Program.

Information on point eleven of the Meeting:

The Board of Directors of the Company, pursuant to the authorization granted by the General Shareholders' Meeting dated June 4, 2015, approved the formalization on September 16, 2016, of the Commercial Paper Issuance Program ("*Euro Commercial Paper Program* ") for a maximum amount of 300,000,000 Euros.

To that end, the Board of Directors has prepared the corresponding information document.

Being it merely informative, this point is not submitted to vote.

POINT TWELVE.- Delegation of powers to interpret, correct, supplement, develop, formalize and execute the resolutions adopted by the Shareholders' General Meeting.

The following proposal is submitted for the approval of the Meeting:

"With regard to the resolutions of this General Shareholders' Meeting and notwithstanding the empowerments included in the previous resolutions, it is resolved to delegate into Mr. Gabriel Escarrer Juliá, Chairman, and Mr. Gabriel Escarrer Jaume, Vice Chairman and Managing Director; Mr. Luis María Díaz de Bustamante y Terminel, Secretary-Director of the Board of Directors of the Company; and Mr. Juan Ignacio Pardo García, Vice Secretary non-Director of the Board of Directors, the specific and necessary powers, jointly and severally and as broad as required and necessary in Law, to:

(a) Interpret, clarify, complement, remedy, apply, complete, publicize, execute and develop the resolutions adopted in this Meeting;

(b) To appear before Notaries and Registrars, public and private Organizations, Authorities and Civil Servants, Accounts Auditors, Securities Firms, Banks and Bankers, making any representations deemed advisable, depositing and executing and signing any Deeds, Minutes, Accounts, Briefs, Agreements, Reports and documents, both public and private, that they deem necessary, even clarifying, correcting and rectifying them, totally or partially, according to the rating of the competent Registrars, Authorities and Civil Servants, so that the aforementioned resolutions are duly formalized and materialized, where appropriate, with the corresponding entry and deposit in the appropriate Registry.

(c) To attach and, as appropriate, transcribe the notarial Minutes of this Meeting to the Minutes' Book; and

(d) To issue any Certificates, even for clarification, corrective, rectification or supplemental purposes, totally or partially, as necessary for and on the preceding resolutions, and for their appropriate implementation."

**RIGHTS TO INFORMATION, ABSENTEE VOTE AND REPRESENTATION
FOR THE GENERAL SHAREHOLDERS' MEETING OF
MELIÁ HOTELS INTERNATIONAL, S.A.**

1. Right to Information

Pursuant to the provisions of articles 197 and 520 of the Spanish Companies Act, shareholders may request to the Board of Directors, on writing until the fifth previous day to the date of the Shareholders' General Meeting, or verbally during its celebration, any information or clarifications they may deem necessary about the auditor's report, regarding the points included in the agenda of the general meeting and the information available to the public that the Company may have submitted to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) from the celebration of the previous Shareholders' General Meeting.

Any requests for information may be exercised within the aforementioned period through mail, telefax or email as follows, attaching a copy of shareholder's national identity document or passport and documentation evidencing ownership of the shares:

1. Via mail (ordinary post):

MELIÁ HOTELS INTERNATIONAL, S.A.

A/A: Investor Relations Department

Gremio de Toneleros, 24 -Polígono Son Castelló, 07009

Palma (Balearic Islands), Spain.

2. Via telefax:

MELIÁ HOTELS INTERNATIONAL, S.A.

A/A: Investor Relations Department

Nº Fax: (34) 971224515

3. Via email:

MELIÁ HOTELS INTERNATIONAL, S.A.

A/A: Investor Relations Department

Email: atencion.accionista@melia.com

Such requests shall be answered by any of the members of the Board of Directors or through authorization of the latter, by the Investor Relations Director, up until the date of the General Shareholders' Meeting and through the same means by which they were made, once the identity and title as shareholder of the petitioner have been verified. Valid requests made in writing and the answers provided in writing by the members of the Board shall be published on the website of the Company (www.meliahotelsinternational.com).

The Board of Directors may refuse to send the information requested in the following cases:

- a) If the request is not within the scope and requisites of the period for exercising the right as determined by the law and the Regulations of the General Shareholders' Meeting;
- b) Whether the publicizing of the information requested might, in the opinion of the Directors, prejudice the Company's interests, unless such request is supported by shareholders representing at least a quarter of the share capital;

- c) If the information is unnecessary for the protection of shareholders' rights or there are objective reasons to believe that it may be used for ultra vires purposes or publication thereof may prejudice the Company or related companies;
- d) if, prior to making a specific question, the information requested is clearly, expressly and directly made available to all shareholders on the Company's website under a question-answer format, the board members may simply answer that their reply may be found in the information provided in such a format;
- e) if the petitioner has acted in a clear abuse of rights; or
- f) if this is the result of legal or statutory provisions, or of court or administrative decisions.

The shareholder shall be responsible of providing evidence to prove its request has been sent to the Company in due time and form.

2. Absentee votes

For absentee votes, shareholders shall (i) complete and sign the corresponding absentee vote form available on the Company's webpage (www.meliahotelsinternational.com) together with the documentation evidencing Shareholder's identity and the ownership of the shares, or (ii) complete and sign the section reserved for such purpose on the attendance card issued by the entities where they might have deposited their shares, attaching a copy of shareholder's national identity document or passport.

Once it has been completed and signed, shareholder must send the attendance card or corresponding absentee vote form through one of the following means:

1. Via mail (ordinary post):

MELIÁ HOTELS INTERNATIONAL, S.A.
A/A: Investor Relations Department
Gremio de Toneleros, 24 -Polígono Son Castelló, 07009
Palma (Balearic Islands), Spain.

2. Via telefax:

MELIÁ HOTELS INTERNATIONAL, S.A.
A/A: Investor Relations Department
Nº Fax: (34) 971224515

3. Via email:

MELIÁ HOTELS INTERNATIONAL, S.A.
A/A: Investor Relations Department
Email: atencion.accionista@melia.com

Any votes sent by mail, telefax or email will be accepted providing the Company receives them at least twenty-four (24) hours before the beginning of the General Meeting and they meet any requisites established herein.

Should the shareholder have sent the Company both documents and their content does not match, the Company shall only validate the one with the issue date closest to the

**Information, attendance and representation
General Shareholders' Meeting
MELIÁ HOTELS INTERNATIONAL S.A.**

Translation for information purposes only

date of the General Meeting and, should they have been issued on the same date, the absentee vote form available to the Shareholders on the Company's webpage (www.meliahotelsinternational.com) shall prevail.

3. Proxy

Pursuant to the provisions of article 184 of the Spanish Companies Act, every shareholder having the right to attend the General Meeting may be represented thereat by another person, complying with the requisites and formalities required under the Bylaws, the Regulations of the General Shareholders' Meeting and in accordance with the law, in such case it being the representative that exercises the right to vote at the Meeting representing the shareholder conferring the representation on them.

The representation must be conferred specially for each Meeting, except the representative being a spouse, descendant or parent of the shareholder; or when the representative possesses a general power of attorney, in the terms established in article 9.3 of the Regulations of the General Shareholders' Meeting and will always be revocable. The attendance in person at the Meeting of the shareholder represented will be deemed to be a revocation. Moreover, the delegation will always be revocable through the same means by which it was made.

In the event of a public request for representation, the provisions of articles 186, 187 and 526 of the Capital Companies Act will apply.

The appointment or revocation of the representative and notification thereof to the Company may be made:

i) By sending the Company (i) the vote delegation form available to the Shareholders on the web page of the Company (www.meliahotelsinternational.com), dully signed and fulfilled, together with the documentation evidencing the identity of the shareholder and the representative, as well as documentation evidencing the ownership of the shares and, where applicable, voting instructions; or (ii) the corresponding attendance card issued by the entities responsible for keeping the accounts records of the shares of the Company, completed in the section containing the printed form for conferring representation and, where applicable, instructions for exercising the voting right, attaching a copy of the national identity document or passport of the shareholder and his/her representative through the following means:

1. Via mail (ordinary post):

MELIÁ HOTELS INTERNATIONAL, S.A.

A/A: Investor Relations Department

Gremio de Toneleros, 24 -Polígono Son Castelló, 07009

Palma (Balearic Islands), Spain.

2. Via telefax:

MELIÁ HOTELS INTERNATIONAL, S.A.

A/A: Investor Relations Department

Nº Fax: (34) 971224515

3. Via email:

MELIÁ HOTELS INTERNATIONAL, S.A.

A/A: Investor Relations Department

Email: atencion.accionista@melia.com

ii) By the shareholder completing and signing the delegation on the attendance card or the delegation form and this being presenting to those responsible for recoding attendance by the designated representative physically attending the General Meeting, on the day and at the place of the General Meeting, before it starts, together with any documentation identifying the shareholder (copy) and the representative (original) and, where the form is used, also any documentation evidencing ownership of the shares. Such presentation shall have the effects of a notification for the purposes of the provisions of article 522 of the Spanish Companies Act.

Any powers of representation received by, telefax or email, as well as any notification of the appointment or revocation of the representative through electronic means will be accepted providing they are received at least twenty-four (24) hours before the start of the General Meeting and comply with the requisites established.

The shareholder shall be responsible of providing evidence to prove its proxy has been sent to the Company in due time and form.

Should the shareholder have sent the Company the vote delegation form and also the attendance card with the section on representation completed, the Company shall only validate the document with the issue date closest to the date of the General Meeting and, should they have been issued on the same date, the vote delegation form available to the Shareholders on the web page of the Company (www.meliahotelsinternational.com) shall prevail.

4. Errors, defects or omissions in the cards or forms

Should the attendance card or absentee vote or proxy forms contain any errors, defects or omissions which cannot be remedied by applying the criteria established in this document, the Company may accept and validate the documents submitted and determine the sense of the instructions received taking into account the set of criteria on interpretation contained in this document and any other Company rules or recommendations on corporate governance, ensuring the company's interests and respecting the principles of legal certainty and the guarantee of the rights of the shareholder.

In order to solve the errors, defects or omissions contained within the cards or forms, the shareholder may indicate, through the corresponding card or form, a phone number, email address or any other contact data that allows the Company to contact the shareholder for this purpose.

ORDINARY GENERAL SHAREHOLDERS' MEETING ABSENTEE VOTE FORM

Absentee vote form for the Ordinary General Shareholders' Meeting of MELIÁ HOTELS INTERNATIONAL, S.A. to take place at the Convention Center of Hotel "Gran Meliá Victoria" located in Palma, at Avenida Joan Miró, 21, at 1 p.m. on June 6, 2018 on first call, or on the following day on second call, at the same place and time.

_____, (full name or company name),
holder of _____ shares in MELIÁ HOTELS
INTERNATIONAL, S.A., with ID/Passport number _____, with telephone
number _____ and e-mail address _____ hereby
cast my distance vote, indicating below the vote on the Resolution Proposals submitted to
the Ordinary General Shareholders' Meeting:

Resolution Proposal ¹	In favor	Against	Abstention
1.1			
1.2			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11	////////////////////	////////////////////	////////////////////
12			

In the event any resolutions not included in the Agenda are submitted to vote, it will be understood that I cast my vote in the manner proposed by the Chairman of the General Meeting², notwithstanding any instructions to the contrary by ticking the corresponding box below:

IN FAVOR	
AGAINST	
ABSTENTION	

In any case, this form shall be accompanied by documentation evidencing through suitable means the identity of the shareholder (and its legal representative, in the case of a legal entity) and ownership of the shares. The Company shall evaluate the suitability and sufficiency of the means evidencing such identity and ownership of the shares.

¹Point eleven of the Agenda is not submitted to vote.

² Following provisions of arts. 523 and 526 of the Capital Companies Act, it is hereby stated that in the event the Chairman should be involved in a conflict of interest when voting on any proposals which, not included in the Agenda, might be submitted at the Meeting, the power of representation will be deemed to have been conferred on the Secretary or, failing this or in the case of conflict of interest, on the Vice Secretary non-director.

PERSONAL DATA PROTECTION

Shareholder's personal data provided to the Company or submitted by the bank entities and the companies and agencies in which the shareholders might have deposited their shares, through the entity in charge of keeping the book-entry registry of the Company, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), will be processed as follows:

Data controller: MELIÁ HOTELS INTERNATIONAL, S.A., with registered office at Calle Gremio Toneleros, 24, 07009 Palma.

Purpose: manage development, observance, and control of the relationship between the Company and shareholders regarding notice to call and the General Meeting.

Entitlement: your personal data will be processed for the observance of Company's legal obligations.

Recipients:

- The entity in charge of keeping the book-entry registry of the Company, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR)
- Public Administrations, in the cases provided by Law.
- Registries and Notaries, in the cases provided by Law.

Rights: to access, rectification, to erasure, to object, to restriction of processing and to data portability.

In case you wish to obtain more information regarding the processing of your personal data, please check our Privacy Policy available in the corporate website (www.meliahotelsinternational.com).

Signature of Shareholder.

In _____, on _____, 2018.

ORDINARY GENERAL SHAREHOLDERS' MEETING VOTE DELEGATION FORM (PROXY)

Vote delegation form (proxy) for the Ordinary General Shareholders' Meeting of MELIÁ HOTELS INTERNATIONAL, S.A. to take place at the Convention Center of Hotel "Gran Meliá Victoria" located in Palma de Mallorca at Avenida Joan Miró, 21, at 1 p.m. on June 6, 2018 on first call, or on the following day on second call, at the same place and time.

³ _____ (full name or company name),
holder of _____ shares in MELIÁ HOTELS INTERNATIONAL, S.A., with
telephone number _____ and e-mail address _____ hereby delegate my vote
to⁴:

- ☐ The Chairman of the Board of Directors of MELIÁ HOTELS INTERNATIONAL, S.A.
☐ Mr./Ms. _____, bearer of National Identity Card n° _____

Below are the instructions for exercising the voting right for the Resolution Proposals to be submitted to the Ordinary General Shareholders' Meeting:

Resolution Proposal ⁵	In favor	Against	Abstention
1.1			
1.2			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11	////////////////////	////////////////////	////////////////////
12			

³ It will be understood that the proxy is conferred to the Chairman of the Board of Directors in case the delegation does not include a nominative or legible expression of the beneficiary of the delegation, or if the same is made in favour of the Board of Directors in general.

⁴ In case of delegations in favor of the Chairman of the Board of Directors, the latter will vote in favor of all proposals submitted by the Board in respect of the various items of the Agenda, unless in relation thereto the instructions for exercising the voting right should indicate otherwise. For the effects of the provisions of arts. 523 and 526 of the Capital Companies Act, it is hereby stated that in the event the Chairman should be involved in a conflict of interest when voting on any proposals which, included or not in the Agenda, might be submitted at the Meeting, the power of representation will be deemed to have been conferred in favor of the Secretary or, failing this or in the case of conflict of interests, the Vice Secretary non-director.

⁵ Point eleven of the Agenda is not submitted to vote.

In the event any resolutions not included on the Agenda are submitted to a vote, (i) and in the case I have conferred my representation in favor of the Chairman of the Board of Directors, it will be understood that I cast my vote in the manner proposed by the Chairman of the General Meeting, notwithstanding any instructions to the contrary indicated herein by ticking the corresponding box below, and (ii) in the event I have conferred my representation in favor of a third party other than the Chairman, he/she will vote on such resolutions in the manner he/she deem appropriate, notwithstanding any instructions to the contrary by ticking the corresponding box below.

IN FAVOR	
AGAINST	
ABSTENCIÓN	

In any case, this form should be accompanied by documentation evidencing through suitable means the identity of the shareholder (and its legal representative, in the case of a legal entity) and the designated representative, as well as the ownership of the shares. The Company shall evaluate the suitability and sufficiency of the means evidencing such identity and ownership of the shares.

PERSONAL DATA PROTECTION

Shareholder's personal data provided to the Company or submitted by the bank entities and the companies and agencies in which the shareholders might have deposited their shares, through the entity in charge of keeping the book-entry registry of the Company, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), will be processed as follows:

Data controller: MELIÁ HOTELS INTERNATIONAL, S.A., with registered office at Calle Gremio Toneleros, 24, 07009 Palma.

Purpose: manage development, observance, and control of the relationship between the Company and shareholders regarding notice to call and the General Meeting.

Entitlement: your personal data will be processed for the observance of Company's legal obligations.

Recipients:

- The entity in charge of keeping the book-entry registry of the Company, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR)
- Public Administrations, in the cases provided by Law.
- Registries and Notaries, in the cases provided by Law.

Rights: to access, rectification, to erasure, to object, to restriction of processing and to data portability.

In case you wish to obtain more information regarding the processing of your personal data, please check our Privacy Policy available in the corporate website (www.meliahotelsinternational.com).

Signature of the Shareholder:

In _____, on _____, 2018.

**TOTAL NUMBER OF SHARES AND VOTING RIGHTS ON THE DATE
OF THE CALL TO 2018 ANNUAL GENERAL SHAREHOLDERS'
MEETING OF MELIÁ HOTELS INTERNATIONAL, S.A.**

For the purposes specified in Article 518 of Spanish Companies Act, it is reported that on the date of the call to General Shareholders' Meeting, convened for June 6 and 7, 2018, on first and second calling respectively, the capital share of MELIÁ HOTELS INTERNATIONAL, S.A. is represented by 229,700,000 ordinary shares (229,700,000 voting rights). Each share shall give right to one vote.

In accordance with the provisions of section 5.2 of the Bylaws of MELIÁ HOTELS INTERNATIONAL, S.A., there is one single class and series of shares.

In Palma, April 27th 2018

**BOARD OF DIRECTORS' REPORT ON THE PROPOSAL FOR RE-ELECTION OF
DIRECTOR OF MELIÁ HOTELS INTERNATIONAL, S.A., INCLUDING:**

A) Board of Directors' Reports and Proposal

B) Appointments and Remuneration Committee Proposal (and CV)

Palma, March 23, 2018

REPORT OF THE BOARD OF DIRECTORS OF MELIÁ HOTELS INTERNATIONAL, S.A. ON THE PROPOSAL FOR DIRECTOR RE-ELECTION INCLUDED IN ITEM THREE OF THE AGENDA FOR THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR JUNE 6 AND 7, 2018 ON FIRST AND SECOND CALL, RESPECTIVELY.

1. Purpose of the report.

This report has been drafted by the Board of Directors of MELIÁ HOTELS INTERNATIONAL, S.A. (hereinafter, "**Meliá**" or the "**Company**") in relation to the proposal to re-elect Mr. Juan Arena de la Mora as Independent Director, that shall be submitted to the General Shareholders' Meeting for its approval jointly with Board of Directors' report following Appointments and Remuneration Committee's proposal, in accordance with article 529 decies, sec. 4 and 5 and article 529 quindecies 3 c) of the Spanish Companies Act, as well as with article 15.2 b) of the Regulations of the Board of Directors.

2. Preliminary analysis.

According to Appointments and Remuneration Committee's proposal, Mr. Juan Arena de la Mora was re-elected as Director of the Company by the General Shareholders' Meeting held on June 4, 2014, for a term of five (5) years, according to the Bylaws in force at the moment. However, according to paragraph 3 of transitory provision of Law 31/2014, of December 3, amending Spanish Companies Act to enhance corporate governance, Mr. Juan Arena de la Mora will not be able to complete the abovementioned term of 5 years as this period exceeds the maximum term established by art. 529 undecies of Spanish Companies Act in force, and therefore he shall be re-elected for the mentioned term.

Summary of the analysis made by the Board of Directors according to Committee's proposal, and in relation with re-election of Mr. Juan Arena de la Mora as Independent Director follows.

At its meeting held on February 27, 2017, the Board of Directors approved the Selection of Directors Policy and, in accordance with the principles established therein, and taking into account the abovementioned situation, the Appointments and Remuneration Committee and the Board of Directors itself, to the extent necessary, have analyzed the composition requirements for the Board at short and medium-term to determine the specific director profiles required by the Company.

They did analyze, among other, the following:

- Professional profiles and skills of the Directors.
- Directors' diversity of knowledge and experience.
- Potential conflicts of interest.
- Availability to properly discharge their duties as Directors.
- Absence of incompatibilities.
- The balance between different types of Directors, in order to guarantee that all interests are properly represented in the Board of Directors, as well as the equitable valuation of skills, profiles, knowledge, experience and professional functions of the same.

While performing his duties since its initial appointment by co-option on March, 31, 2009, Mr. Juan Arena de la Mora has demonstrated:

- Extensive knowledge and experience in several areas of activity which are essential for the group, including finance, retail, consumer, tourism, etc., thereby enhancing the analysis of the Company's needs and projects and increasing the diversity of perspectives present when matters submitted for their consideration are discussed.
- Excellent performance of his duties from ethical, knowledge and dedication perspective.

As a result of the aforementioned analysis, the Board recommends maintaining its current composition (in relation with both size and composition of the Directors as well as its diversity) which is comprised of members with diverse profiles, an extraordinary level of qualification and professional skills and capability of providing the Company with added value at short and medium-term, encouraging debates and promoting the adoption of well-founded decisions. Therefore, the Board and the Committee judge very favorably the profile, skills, knowledge and experience of Mr. Juan Arena de la Mora, whose re-election will be proposed to the General Shareholders' Meeting.

3. Justification of the re-election proposal.

In preparing and assuming the proposals for re-election made by the Appointments and Remuneration Committee, the Board of Directors took into consideration the suitability of the candidate's professional profile in relation to the needs of the business performed by the Company and the industry in which it operates, his international experience, his performance level to date, as well as whether he has sufficient availability to properly perform his duties.

In this regard, the Board of Directors believes that Mr. Juan Arena de la Mora adequately combines the necessary skills and competencies within the following areas, among others:

- a) knowledge of the industry in which the Company operates, as well as other areas with synergies to the Company;
- b) experience and knowledge of economic, banking and financial matters;
- c) training and international experience and knowledge of relevant geographic markets for the Company; and
- d) experience and knowledge of management, leadership and business strategy.

The CV of Mr. Juan Arena de la Mora is attached to the accompanying proposal of the Appointments and Remuneration Committee, and confirms his worth and technical skills, his merits based on which he should continue to hold the position, his extensive experience in industries relevant to the Company and the group, and his knowledge of various business fields, guaranteeing a variety of viewpoints during the Board of Directors' debates, maintaining a high percentage of independent directors and consolidating a high qualitative level in the Board's structure as a whole.

Lastly, the Appointments and Remuneration Committee has verified that Mr. Juan Arena de la Mora meets all of the requirements of honor, suitability, technical solvency, competency, experience, qualification, education, availability and commitment to the duties specific to the position, and that there are no grounds for incompatibility, prohibition or conflict of interests.

The corresponding proposal for re-election of Mr. Juan Arena de la Mora prepared by the Appointments and Remuneration Committee on March 22, 2018, that also includes its CV, is attached to this report as Appendix I.

4. Proposal for re-election of Mr. Juan Arena de la Mora

The Board believes, in accordance with the provisions established in art. 529 decies of sec. 4 of the Spanish Companies Act, and in view of the content of the preliminary report issued by the Appointments and Remuneration Committee, that Mr. Juan Arena de la Mora meets the necessary requirements to continue performing his duties as Director, in accordance with the principles established in the Selection of Directors Policy.

Category under which he must be classified: Independent Director, in accordance with the definition established in art. 529 duodecies of sec. 4 of the Spanish Companies Act.

The Board of Directors has concluded, upon the proposal of the Appointments and Remuneration Committee, that given that he is currently performing the duties for which he is responsible as an Independent Director, his knowledge of the activities carried out by the Company and the industry in which it operates, nationally as well as internationally, will allow Mr. Juan Arena de la Mora to continue contributing in a very positive way and with added value, to the operation of the Board of Directors, and submits the following proposal, made by Appointments and Remuneration Committee, to the General Shareholders' Meeting for its approval:

“THIRD. - Re-election of Mr. Juan Arena de la Mora.

To re-elect Mr. Juan Arena de la Mora as Director, for the statutory period of four years upon the proposal of the Appointments and Remuneration Committee and following the relevant report issued by the Board of Directors.

In accordance with article 529 duodecies of the Spanish Companies Act, he will be considered as an Independent Director”.

APPENDIX

PROPOSAL OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF MELIÁ HOTELS INTERNATIONAL, S.A. REGARDING THE RE-ELECTION OF Mr. JUAN ARENA DE LA MORA.

Palma, March 22, 2018

1. Introduction

The duties assigned to the Appointments and Remuneration Committee, regulated in article 39 Ter of the Corporate Bylaws and 15 of the Regulations of the Board of Directors, in accordance with the aforementioned article 15, include the following:

“[...] (a) To define and review the criteria to be applied with regard to the composition of the Board of Directors and the selection of candidates.

b) To submit to the Board any proposals on the appointment of Independent Directors so that the Board may directly designate such Directors (Co-opt) or adopt the proposals for their submission to the General Shareholders Meeting for approval as well as their re-election or removal by the General Shareholders Meeting.

[...]”

Mr. Juan Arena de la Mora was re-elected as Director by the Company on General Shareholders' Meeting held on June 4, 2014, for a term of five (5) years, according to the Bylaws in force at that time.

According to paragraph 3 of transitory provision of Law 31/2014, of December 3, amending Spanish Companies Act to enhance corporate governance:

“Directors that have been appointed before January 1, 2014 will be able to complete their term even if they exceed the maximum term established by article 529 undecis of Spanish Companies Act.”

In consequence, taking into account expiration of Mr. Juan Arena de la Mora office as Director, and according to art. 529 of Spanish Companies Act, should therefore be considered for its re-

election for a four (4) year term, and, if so, be proposed to the Board of Directors in order to submit it to General Shareholders' Meeting approval.

2. Verification of compliance with Selection of Directors Policy:

In accordance with the principles established in Selection of Directors Policy approved on February 27, 2017 by the Board of Directors, in order to inform and advise the Board of Directors within the analysis of the Company's needs and the suitability of re-election of Mr. Juan Arena de la Mora, the Committee took into consideration, among others, the business carried out by the Company, the countries in which it is performed, the specific management needs of a multinational company, its obligations to society and the Company's principles.

The conclusion drawn from the aforementioned analysis is that the Board of Directors should keep among its members directors with extensive experience in the tourism and hotel industry, with knowledge of Company's internal operations, rooted in the values of a family business and the capability to adapt to an industry which is constantly evolving and expanding, both at a geographic and technological level.

3. Assessment of Mr. Juan Arena de la Mora, whose re-election will be proposed to the General Shareholders' Meeting:

In particular, after the analysis of Mr. Juan Arena de la Mora profile, the Appointments and Remuneration Committee took into account:

- a. Candidate's knowledge and experience acquired throughout his extensive professional career.
- b. His knowledge of several market industries and the professional experience he has acquired performing various duties at different companies.
- c. The excellent performance of his duties as Independent Director.
- d. His excellent work reporting to the Board of Directors and his active participation in the Board's dynamics.
- e. His honor, suitability, technical solvency, skills, experience, qualification, availability and commitment to his duties.

4. - Verification of compliance with the requirements for being a Director.

The Committee verified that the candidate up for re-election continues to fulfill the general requirements which must be met by all directors of the Company, in accordance with that established by applicable regulations.

Specifically, the Committee verified that candidate's conduct and professional career are fully aligned with the Company's principles and that there are no grounds for incompatibility or impediments to him performing his office.

5. Conclusion

As a result of the foregoing, the Committee concluded that it will propose to the Board of Directors the re-election of Mr. Juan Arena de la Mora as an Independent Director of the Company, to be submitted by the Board to the General Shareholders' Meeting worded as follows:

"THIRD. - Re-election of Mr. Juan Arena de la Mora.

To re-elect Mr. Juan Arena de la Mora as Director, for the statutory period of four years upon the proposal of the Appointments and Remuneration Committee and following the relevant report issued by the Board of Directors.

In accordance with article 529 duodecies of the Spanish Companies Act, he will be considered as an Independent Director".

APPENDIX TO THE PROPOSAL OF APPOINTMENTS AND REMUNERATION COMMITTEE OF MELIÁ HOTELS INTERNATIONAL, S.A. REGARDING THE RE-ELECTION OF Mr. JUAN ARENA DE LA MORA.

Mr. Arena holds a Ph.D. in Electrical and Mechanical Engineering from ICAI, graduated in Business Administration from ICADE, holds a diploma in Public Finance Studies, he graduated in Psychology, and he has completed the Advanced Management Program (AMP) at Harvard Business School.

Professor at Harvard Business School teaching MBAs (2009-2010), teaching in the Advanced Management Program (2015), and teaching in the PADE at IESE (2011).

Mr. Arena began his professional career in Bankinter, where he held a number of posts. In 1985 he was appointed Managing Director and board member, In 1993 he was appointed Chief Executive Officer and from March 2002 to April 2007 he was the company's Executive Chairman.

He is currently member of the Board of Directors of Ferrovial, Almirall Laboratories, and Meliá Hotels International where he holds positions in different committees. He is member of the International Council of EVERIS, Chairman of the Advisory Council of Consulnor, Member of the Advisory Councils of Marsh and Panda.

In the academic field, he is currently Chairman of the ESADE Professional Council, Advisor to Deusto Business School and Member of the World Advisory Board of the Harvard Business School.

In the area of the third sector, he was the Founder and first President of the SERES Foundation (Society and Responsible Company) where he is currently a member of the Executive Committee and President of the Governance Commission.

In addition, he has been Director of the Boards of TPI, Prisa, Everis, UBS Spain, Panda, Dinamia, member of the Board of ESADE and member of the Advisory Board of Spencer Stuart.

He was awarded the Grand Cross of the Order of Civil Merit for his work in the investigation and development of the Information Society.

**PROPOSAL OF AMENDMENT TO REMUNERATION POLICY OF
THE BOARD OF DIRECTORS OF
MELIÁ HOTELS INTERNATIONAL, S.A.**

Palma, 23rd March 2018

Shall a discrepancy between the present translation and the original document in Spanish- language appear, the text of the original Spanish-language document shall always prevail.

I. PURPOSE AND BACKGROUND

The Board of Directors of Meliá Hotels International, S.A. (the "**Company**") submits this document for the purpose of motivating the amendment of directors' remuneration policy, which will be submitted and therefore subject to for the approval of the General Shareholders' Meeting to be held on June 6 on first call and on June 7 on second call, and therefore applicable until the end of its effective term.

Directors' remuneration policy for years 2016-2018 (the "**Policy**") was approved as an independent item of the agenda of General Shareholders' Meeting held on June 23, 2016.

In order to amend the Policy, and according to article 529 novodecies paragraph 3 of Spanish Companies Act (hereinafter, "**LSC**"), the Board of Directors proposes to General Shareholders' Meeting the amendment of the mentioned Policy for year 2018, and therefore, within its effective term, following the same proceeding as for its approval, having the Appointments and Remuneration Committee (the "**Committee**") presented its specific report regarding the amendment of the Policy for financial year 2018, that is being attached to this document as appendix, and according to the following points:

- Amendment of the maximum amount to be payable as directors' remuneration in their capacity as such for financial year 2019.
- Technical improvement of the wording for explanation of the amounts regarding long-term variable remuneration.
- Inclusion of market standards in relation with Directors' life and accidents insurances.
- Inclusion of pension schemes for Executive Directors, in the terms detailed in the attached document.

The mentioned report, pursuant to Committee's competences in accordance to article 529 quindecies paragraph 3.g) of LSC, includes the Remuneration Policy 2016-2018 as Consolidated Text, that also contains the amendments proposed by the Committee to the Board of Directors to be presented to the General Shareholders' Meeting for its approval. Those amendments, as indicated above, will only be applicable until the end of this financial year.

In consequence, all of the terms of the Directors' Remuneration Policy for financial years 2016-2018 approved by the General Shareholders' Meeting held on June 23, 2016 that are not being expressly amended hereby, will remain unaltered.

II. SUPPORTING PROPOSAL

The Board of Directors, during its session held today, has analyzed the aforementioned Committee's report together with its annex, corresponding to consolidated text of Remuneration Policy, and has considered that the report duly justifies the amendment of Remuneration Policy on the proposed terms, until the end of its effective term.

Amendment proposals to the Policy included by the Committee have been drafted giving continuity to the fundamental principles of moderation, prudence and generating long-term value, in order to maintain internal equity while trying to improve external competitiveness.

In addition, the Board considers that, in accordance with article 529 novodecies paragraph 1 of the LSC, amendment to Remuneration Policy for financial year 2018 that has been proposed by the Committee fits into the remuneration system provided for in article 37 of the Bylaws.

Considering all of the above, the Board endorses the report of the Committee, considering that it sufficiently motivates the proposed amendment of Directors' Remuneration Policy for financial year 2018 for the purposes of this document as well as the consolidated text of the Policy, as it is drafted in the Annex attached to the report. In this sense, it also endorses the text and submits it to the Shareholders' General Meeting for its consideration and, if so, approval, issuing the following proposed resolution:

"To approve, pursuant to the provisions of Article 529 novodecies of the Spanish Companies Act and article 37 of the Bylaws of the Company, and following Appointments and Remuneration Committee's proposal, the amendment of directors' remuneration policy approved on 23 June, 2016, and applicable until the end of its effective term."

This document, together with the attached Committee's report, as well as the consolidated text of Remuneration Policy, shall be made available to the shareholders on the corporate website (www.meliahotelsinternational.com) in the manner legally provided. Shareholders will have the right to request the delivery or dispatch free of charge of these documents.

Shall a discrepancy between the present translation and the original document in Spanish- language appear, the text of the original Spanish-language document shall always prevail.

Translation for information purposes only

ANNEX

APPOINTMENTS AND REMUNERATION COMMITTEE SPECIFIC REPORT

REGARDING AMENDMENT TO DIRECTORS' REMUNERATION POLICY

APPLICABLE TO YEAR 2018

Palma, 22nd March 2018

Shall a discrepancy between the present translation and the original document in Spanish- language appear, the text of the original Spanish-language document shall always prevail.

I. PURPOSE OF THE REPORT

This report has been drafted by the Appointments and Remunerations Committee (hereinafter the "**Committee**") of Meliá Hotels International, S.A. (hereinafter the "**Company**") pursuant to the provisions set forth in article 529 novodecies of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of July 2 (hereinafter, "**LSC**"), regarding the proposal of amendment to the Directors' Remuneration Policy for years 2016 to 2018, approved by the General Shareholders' Meeting held on June 23, 2016, that will be submitted for its approval by the Ordinary Shareholders' General Meeting of the Company.

Temporal scope of the abovementioned amendment shall be extended since its approval and until the end of financial year 2018.

II. APPLICABLE REGULATIONS

a) LSC

- Article 217 of the LSC states that:

"Article 217. Compensation of Administrators

- 1. The position of an administrator is uncompensated, unless the articles of association otherwise provide, specifying the compensation scheme.*
- 2. The established compensation scheme will determine the category or categories of compensation to be received by the administrators in their capacity as such. They may consist, inter alia, of one or more of the following:*
 - a) A fixed allocation,*
 - b) Attendance allowances,*
 - c) Profit-sharing,*
 - d) Variable compensation with general reference parameters or indicators,*
 - e) Compensation in the form of shares or compensation tied to the evolution thereof,*
 - f) Termination indemnification, provided that it is not based on breach of the functions as an administrator, and*
 - g) Such savings or pension schemes as are deemed to be appropriate.*

Shall a discrepancy between the present translation and the original document in Spanish- language appear, the text of the original Spanish-language document shall always prevail.

3. *The maximum amount of annual compensation of all administrators in their capacities as such must be approved by the general meeting and will remain in effect until modification thereof is approved. Unless otherwise determined by the general meeting, the distribution of the compensation among the various administrators will be established by agreement among them and, in the case of the board of directors, by decision thereof, which must take account of the functions and responsibilities assigned to each director.*
 4. *The compensation of the administrators in any event must be in reasonable proportion to the size of the company, the economic situation existing from time to time and the market standards of comparable undertakings. The established compensation scheme must be aimed at promoting the profitability and long-term sustainability of the company, and must incorporate the safeguards necessary to prevent excessive risk assumption and reward of unfavorable results.*
- Article 529 quindecies of the LSC states, among other regulations, the following:
“Article 529 quindecies. Appointment and remuneration committee.
[...] 3. Without prejudice to other functions given to it by the law, the articles of association or, in accordance therewith, the regulations of the board of directors, the appointment and remuneration committee will have at least the following:
[...]
g) Proposing to the board of directors, the remuneration policy for directors and general managers or those performing senior management functions under the direct supervision of the board, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive directors, ensuring compliance therewith.
[...]
 - Articles 529 octodecies of the LSC, states that:
“Article 529 octodecies. Compensation of directors for performance of executive duties
 1. *The compensation of directors for performance of executive functions contemplated in the contracts approved in accordance with the provisions of sec.249 will be in accordance with the compensation policy for directors which necessarily must contemplate the amount of annual fixed compensation and changes therein over the term to which the policy refers, the various parameters for fixing the variable components and the principal terms and conditions of their contracts, in particular covering their term, indemnification for early departure or termination of the contractual relationship and exclusivity, post-contractual noncompetition and minimum term or loyalty clauses.*
 2. *It corresponds to the board of directors to fix the compensation of the directors for performance of executive functions and the terms and conditions of their contracts with the company in accordance with the provisions of sec. 249.3 and the compensation policy for directors approved by the general meeting.”*
 - Article 529 novodecies of the LSC states, among other regulations, the following:
“Article 529 novodecies. Approval of Compensation Policy for Directors

Shall a discrepancy between the present translation and the original document in Spanish- language appear, the text of the original Spanish-language document shall always prevail.

“1. The compensation policy for directors will be adapted as applicable to the compensation scheme contemplated in the articles, and will be approved by the general shareholders’ meeting at least every three years as a separate point on the agenda.

2. Reasons must be given for the proposal of the policy for compensation of the board of directors, and a specific report of the appointment and remuneration committee must be attached. Both documents will be made available to the shareholders on the company’s website from the call of the general meeting. The shareholders also may request that they be sent or delivered free of charge. The announcement of the call of the general meeting will mention this right.

3. The compensation policy for directors as so approved will remain in effect for the three years following the year of its approval by the general meeting. Any modification or replacement thereof during the aforesaid term will require prior approval of the general shareholders meeting using the procedure established for approval thereof. [...]”

b) Meliá Hotels International S.A. Bylaws

- Article 37 of the Bylaws states that:

“ARTICLE 37.- Remuneration of Directors

37.1 Remuneration of Directors.

Directors shall be remunerated. The remuneration of Directors for this position consists of an annual amount, global for each of them, which maximum amount shall be approved by the General Shareholders Meeting, which will be valid until a modification is approved, without prejudice to the payment of the fees or remuneration that they may receive from the company, owing to a contractual relationship other than that derived from the position of Director (for instance, for professional services provided or derived from their employment relationship, as the case may be), which shall be subject to the legal system applicable thereto.

The determination of the remuneration of each Director in their position as such shall be for the Board of Directors, which shall take into account the functions and responsibilities assigned to each Director, if they are members of Board Committees and other objective circumstances that may be considered relevant.

The remuneration shall be composed of two elements:

a) A fixed annual allowance.

d) Allowance to attend the sessions of the Board of Directors and of the Committees in which he is a member.

The remunerations policy of the Directors in their positions as such shall comply with this article and shall be approved by the General Meeting in the manner set forth in the Law.

The Directors who perform executive duties in the Company shall additionally receive the amounts corresponding to the performance of such executive duties, according to the remunerations policy of the Directors approved by the General Meeting and the Board of Directors shall approve the terms and conditions of the contracts that the Directors make with the Company, in the manner set forth in the Law, these Bylaws and the Regulations of the Board of Directors.

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37.2 Other remuneration systems. In addition, and regardless of the remuneration considered in the previous section, remuneration systems based on the share price or related to the provision of stock or stock options are foreseen for the Directors. The application of such systems must be approved by the General Shareholders Meeting which will also decide the number of shares to be assigned in each financial year to this remuneration system, the price or calculation system of the price at which stock options may be exercised, the price of the shares which, as the case may be, may be taken as reference and the duration of such plan and any other conditions considered appropriate.

After compliance with legal requirements, similar remuneration systems may also be established for company personnel (executive or otherwise)."

c) Regulations of the Board of Directors of Meliá Hotels International S.A.

- Article 15.2 of the Regulations of the Board of Directors states that:

"Article 15.- The Appointments and Remuneration Committee

[...]

15.2 Organization and responsibilities. [...] The responsibilities of the Appointments and Remuneration Committee, and without prejudice to any others that the Law, the Company Bylaws and these Regulations, are at least as follows:

[...]

f) To propose to the Board the remuneration policy for Directors and CEOs or those who develop their senior management functions under direct control of the Board, of Executive Committees or CEOs, as well as individual remuneration and other contractual conditions of the Executive Directors, ensuring its compliance. To regularly review said remuneration policy, assessing their appropriateness and return.

g) To ensure transparency in remuneration.

[...]

- Article 24 of the Regulations of the Board of Directors states that:

"Article 24.- Remuneration of Directors

24.1 Directors, in its capacity as such, have a right to pertain the remuneration set by the General Shareholders Meeting in accordance with the Company Bylaws.

24.2 The determination of the remuneration of each Director in its capacity as such, within the maximum amount approved by the General Meeting of Shareholders in accordance with the preceding paragraph, corresponds to the Board of Directors. The Board of Directors will ensure that the remuneration of Directors is related to their effective dedication, the roles and responsibilities attributed to each Director, the Delegates Committees' membership and other objective circumstances that are relevant. The Board will also ensure that the amount received by Independent External Directors provides incentives to encourage dedication but does not hinder their independence.

Shall a discrepancy between the present translation and the original document in Spanish- language appear, the text of the original Spanish-language document shall always prevail.

24.3 The remuneration of the Board of Directors will be transparent, the total amount being reported in the Annual Report on Corporate Governance.

24.4 The amounts received should be compatible with and independent of salaries, other remuneration, compensation, pension, share options or any other form of payments established in general for all Executive Directors or in particular for any one of them, for the performance of executive duties, whatever the nature of their relationship with the company, whether it be through employment – general or senior management –, commercial or on a service basis, relationships that will be compatible with their condition as members of the Board of Directors. To this end, the Executive Directors will sign the corresponding contracts with the Company in accordance with the Law and the Company Bylaws.

Pursuant to the aforementioned regulation, this Committee proceeds to issue this report, which contains as Annex I the consolidated version of the Remuneration Policy for directors for the years 2016, 2017 and 2018 which will be submitted to the Board of Directors for the purpose of submission for the approval of the General Meeting. The attached documents includes (highlighted) the proposed amendments to financial year 2018.

III. REPORT AND PROPOSAL ON THE AMENDMENTS TO DIRECTORS' REMUNERATION POLICY

The Company submitted for the approval of to the General Shareholders' Meeting held on June 23, 2016 the Directors' Remuneration Policy for years 2016, 2017 and 2018, which included the terms and conditions of Directors' Remuneration Policy for the abovementioned term, as well as the key conditions for the contracts to be subscribed with Executive Directors.

Following this Policy, Committee considered the inclusion of the following minor changes:

- Technical and explanatory amendments.
- Increase of the maximum amount to be payable as Directors' remuneration in their condition as such, applicable to financial year 2018.
- Inclusion of the specific reference in regards to alignment with standards of remuneration concepts.
- Insertion of the possibility to contract pension scheme for Executive Directors.

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For the appropriate purposes, the Committee submits to the Board this proposal of amendment to Directors' Remuneration Policy for financial years 2016 to 2018, solely for the abovementioned amendments and limited to financial year 2018.

Consolidated Text of Directors' Remuneration Policy for years 2016 to 2018 is attached as Annex I, and includes the proposed amendments applicable to financial year 2018, that still follows general principles of the Company as well as the evolution of remunerations and common standards of the market, being based on moderation, prudence and generating long-term value principles, and maintaining the internal equity and improving the external competitiveness. In addition, the proposed amendment to Policy complies with the provisions set out in Article 217.4 LSC, which states that:

"The compensation of the administrators in any event must be in reasonable proportion to the size of the company, the economic situation existing from time to time and the market standards of comparable undertakings. The established compensation scheme must be aimed at promoting the profitability and long-term sustainability of the company, and must incorporate the safeguards necessary to prevent excessive risk assumption and reward of unfavorable results."

Given the characteristics of the mentioned Policy as well as the proposed amendment to the same, the Committee concludes that it is in line with the legal and internal regulations identified in this report, so therefore it is proposed to be submitted to the General Meeting by the Board of Directors the following agreement:

"To approve, pursuant to the provisions of Article 529 novodecies of the Spanish Companies Act and article 37 of the Bylaws of the Company, and following Appointments and Remuneration Committee's proposal, the amendment of directors' remuneration policy approved on 23 June, 2016, and applicable until the end of its effective term".

ANNEX I

**CONSOLIDATED TEXT OF REMUNERATION POLICY FOR THE DIRECTORS
YEARS 2016, 2017 and 2018**

Shall a discrepancy between the present translation and the original document in Spanish- language appear, the text of the original Spanish-language document shall always prevail.

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- I. Purpose and Basic Principles**
- II. Competent Bodies**
- III. Remuneration Structure**
- IV. Other Benefits**
- V. Basic conditions for the Executive Directors' contracts**

I. PURPOSE AND BASIC PRINCIPLES

Directors' Remuneration Policy of Meliá Hotels International, S.A. ("**Meliá Hotels International**" or the "**Company**") wants to be adapted to Company's circumstances, with principles rooted into moderation, prudence and generating long-term value, and maintaining the internal equity and improving the external competitiveness.

Bylaws and Regulations of the Board collect such fundamental principles, expressly providing that the remuneration of the Directors takes into account their actual dedication, adapting itself in any case to market requirements. In addition, Remuneration Policy defined in the Bylaws and in the Regulations of the Board seeks the remuneration of the Independent External Directors to provide incentives for their dedication, ensuring that, in any case, it will not be an obstacle to their independence.

As detailed in section III below, a differentiated remuneration system is established for the remuneration of the Executive Directors of the Company, on the basis that they have their own additional responsibilities regarding their managing functions in the Company or its Group.

In addition, article 24 of Regulations of the Board of Directors establishes that the amounts received should be compatible with and independent of salaries, other remuneration, compensation, pension, share options or any other form of payments established in general for all Executive Directors or in particular for any one of them, for the performance of executive duties, whatever the nature of their relationship with the company, whether it be through employment – general or senior management –, commercial or on a service basis, relationships that will be compatible with their condition as members of the Board of Directors.

In any case, the Regulations of the Board of Directors provide that the remuneration of the Board of Directors will be transparent, the total amount being reported in the Annual Report on Corporate Governance.

II. COMPETENT BODIES

Appointments and Remunerations Committee

As part of the analysis process and determination of the Remuneration Policy of the Company, the Appointments and Remuneration Committee plays a fundamental role. The faculties of the Committee in relation to this process, as regulated in Articles 39 ter of the Bylaws and 15 of Regulations of the Board of Directors, are as follows:

- To propose to the Board the Remuneration Policy for Directors and CEOs or those who develop their senior management functions under direct control of the Board, of Executive Committees or CEOs, as well as individual remuneration and other contractual conditions of the Executive Directors, ensuring its compliance. To regularly review said remuneration policy, assessing their appropriateness and return; and
- To ensure transparency in remuneration.

In addition to the above, the Appointments and Remuneration Committee participates actively throughout the process of determining the policy remuneration, formulating those proposals and / or reports required by the applicable law and getting involved in specific processes detailed along the this Policy.

Shareholders' General Meeting

In accordance with Article 37 of the Bylaws, the role of the General Meeting of Shareholders in this process is to approve the maximum amount of the fixed Global annual remuneration entitled to all the Directors in their capacity as such, notwithstanding payment of fees or remuneration that they can obtain from the Company for the rendering of professional services or derived from staff work, as appropriate.

In addition, the application of any remuneration systems with reference to market value of the shares or that entail the delivery of shares or stock options, must also be approved by the General Meeting.

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In such a case, the General Meeting is the competent body to determine the value of the shares taken as a reference, the number of shares awarded to each Director, the exercise price of the option rights, the term of this remuneration system and other conditions deemed appropriate.

Board of directors

The participation of the Board of Directors in determining the retribution occurs in two relevant moments.

On the one hand, the Board of Directors discusses the Proposals and Reports that the Appointments and Remuneration Committee prepares on remuneration matters, using the tools that the Committee facilitates (statistical or comparative information, third-party reports, etc.) for the elaboration of proposals to be submitted to approval of the General Meeting of Shareholders, as the maximum amount of the overall annual remuneration or those articles of the Bylaws or of the Regulations concerning remuneration.

On the other hand, once approved at the General Meeting of Shareholders the maximum amount referred to in the preceding paragraph, the determination of the individual remuneration of each director corresponds to the Board of Directors based on a proposal from the Appointments and Remuneration Committee, taking into account at all times the faculties and responsibilities attributed to each director, the membership to the Board's Delegated Committees and other objective circumstances deemed relevant (i.e. Delegated Committees Presidency, Board Secretariat, ...).

In addition to the above, and with regard to Directors performing executive functions in the Company, the Board of Directors, following a proposal of the Appointments and Remuneration Committee, is the body responsible for approving the terms and conditions of the contracts concluded between such Directors and the Company in the manner prescribed in the Capital Companies Act, the Bylaws and the Regulations of the Board of Directors. By virtue of such contracts, which must in any case comply with this remuneration policy, the Executive Directors may receive certain additional amounts for the performance of these executive functions.

III. REMUNERATION STRUCTURE

A differentiated remuneration system is established for Directors in their capacity as such and for Executive Directors of the Company, for having the latter added responsibilities.

a. Remuneration structure of the Directors in their capacity as such:

In accordance with the provisions of Article 37.1 of the Bylaws, the remuneration of the Directors in their capacity as such consists of:

- A fixed annual allocation.
- Attendance fees for meetings of the Board of Directors and Committees of which they are part.

The maximum remuneration amount of the Directors, in their condition as members of the board, for financial year 2018, is established in ONE MILLION TWO HUNDRED THOUSAND EURO (€ 1,200,000), under the terms that will be approved by the General Shareholders' Meeting. The mentioned amount will be in force until the General Meeting Shareholders' decides so.

The accrual of the remuneration in respect to the fixed annual allocation is monthly in arrears, so that the remuneration of each Director will be proportional to the period in which they have held office during the year in which the remuneration is fixed.

Also, taking into account the roles and responsibilities attributed to each of them, according to the previously stated.

b. Remuneration structure for the performance of executive duties

In addition to the above, the Executive Directors can count on their retributive package with:

I. Fixed annual remuneration: for the performance of their executive duties.

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II. Variable remuneration, consisting of the following:

○ Short-term Variable Remuneration

The variable remuneration in the short term will be set as a percentage of the fixed remuneration. For its determination and calculation of the final amount, different objectives linked to the most critical results of the Company and the annual goals established will be weighted, applying, if feasible, the same criteria also set for senior management of the Company.

Fixing and assessing the level of compliance of the variable remuneration in the short term of the Executive Directors will be annually carried out by the Board of Directors after a proposal from the Appointments and Remuneration Committee.

The model of short-term variable remuneration will be aligned with the Company and indicators and annual targets will be established linked to:

- Compliance with the annual targets set in the Strategic Plan of the Group.
- Mitigation of the risks identified as most relevant to the Company.
- Assessment of individual performance as chief executive, if applicable.

The target amount (100%) of the short-term variable remuneration will correspond with a percentage of the fixed salary, establishing a minimum theoretical collection of 0% and maximum of 150%, with an intermediate rating scale ranging between 60% and 150% depending on the level corresponding to the type of objective.

Compliance levels of these objectives can be divided into the following:

- Economic Objectives: In which the maximum is 150% and minimum is 0%, with a scale that links the collection ratio to the percentage of compliance. The evaluation of these objectives is based on compliance with the annual goals (budget) defined individually for each objective, using the actual accounting amount on annual closure as reference for compliance.

All objectives of this type have goals and results measurable, so that the percentage of compliance is the result of dividing the actual amount by the budgeted amount.

- Non-economic objectives: They have a maximum of 130% and minimum of 0%, with a four-level of compliance gradual scale (0%, 75%, 100% and 130%).

The evaluation of these objectives will be based on a performance scale, defined by the Appointments and Remuneration Committee, divided into cumulative levels of milestones' compliance.

Annually, indicators and targets linked to short-term variable remuneration will be adjusted based on the Group's priorities.

In line with the principles of good governance, payment of short-term variable remuneration will occur after a reasonable time after the end of the year, within the first 60 calendar days following the formulation of the annual accounts, prior approval of the Board of Directors on a proposal from the Appointments and Remuneration Committee.

○ **Long-term Variable Remuneration**

The Multi-year, three-year, remuneration will be linked to the results of the Strategic Plan of the company, whose goals and objectives are of the same length as the accrual of the Multiyear remuneration.

The target amount (100%) of this multi-year variable remuneration is based on a fixed amount which will vary depending on the hierarchical level being 150% the collection maximum of the target amount and the minimum being 0%.

In line with the principles of good governance, payment of multi-year variable remuneration will occur after a reasonable time after the closing of the last Strategic Plan exercise, within the first 60 calendar days following the formulation of the annual accounts of that year, prior approval of the Board of Directors on a proposal from the Appointments and Remuneration Committee.

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In any case, the General Meeting must approve the Multi-year variable remuneration Plan.

IV. OTHER BENEFITS

Life and accident insurance: The Executive Directors may have a life and accident insurance policy with a maximum insured capital of a fixed annual salary.

Private Health Insurance: The Executive Directors may have a Private health insurance for themselves and their family unit.

Pension Scheme: Executive Directors may have a pension scheme to cover retirement, death or disability. The scheme shall be arranged through contributions of the Company to life insurance policy following the terms and conditions that, from time to time were usual in the market, with a maximum contribution of 10% of their fixed annual salary.

As stated in section II above remuneration systems, linked to the shares's value of trading or involving the delivery of shares or options' rights on them, may be established. The application of these remuneration systems must be approved by the General Meeting of Shareholders, which will determine the value of the shares taken as a reference, the number of shares to be delivered to each Director, the price for exercising the option' rights, the duration of this remuneration system and other conditions deemed appropriate.

V. BASIC CONDITIONS FOR THE EXECUTIVE DIRECTOR'S CONTRACTS

In 2015, Executive Director signed with the Company a commercial contract for the provision of services in accordance with Article 249 of the Spanish Companies Act. In this contract the duties and functions towards the Company of the Executive Director are outlined, as well as the details of the remuneration due to him for the performance of those functions.

The essential terms and conditions of the Executive Directors' contracts are, in addition to those relating to the abovementioned remuneration, the following:

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Exclusivity: The Directors shall not engage in any other labor, commercial or professional activity unless the consent of the Company concurs.

Non-competition: In accordance with Article 229 (f) of the Capital Companies Act, the Executive Directors may not, directly or indirectly, perform activities or professional services involving an effective competition, current or potential, with the Company or its Group.

Such non-compete obligation will have a minimum post-contractual application of one year with the commitment of the Company to compensate the Directors with the payment of an annuity of the annual total remuneration they may have as Executive Directors at the time of termination of the contract. If the post-contractual non-compete obligation is breached, Directors must reimburse the Company the amounts perceived by that concept and indemnify the Company with an amount equivalent to 150% of the amount received by that concept.

Compensation: Directors will be compensated with the amount equivalent to one annuity of their total remuneration, in the case any of the following causes concurs:

Unilateral Termination by the Executive Director: derived from failure (serious and culpable) by the Company of contractual obligations included in the contract or a substantial amendment of their functions, powers or conditions of their rendering of services, for reasons not attributable to the Executive Director.

Unilateral Termination by the Company: no motivated by failure of the Director.

**PROPOSAL OF REMUNERATION POLICY OF
THE BOARD OF DIRECTORS OF
MELIÁ HOTELS INTERNATIONAL, S.A.
FOR 2019, 2020 AND 2021**

Palma, 23rd March 2018

Shall a discrepancy between the present translation and the original document in Spanish- language appear, the text of the original Spanish-language document shall always prevail.

I. PURPOSE OF THE REPORT

The Board of Directors of Meliá Hotels International, S.A. (the "**Company**") submits this document for the purpose of motivating the proposed directors' remuneration policy for years 2019-2021 (the "**Remuneration Policy**"), which will be submitted for the approval of the 2018 General Shareholders' Meeting. Thus, compliance is given to the provisions of article 529 novodecies paragraph 2 of Spanish Companies Act ("**LSC**") in connection with the approval process of the Remuneration Policy.

In accordance with the aforementioned provision of the LSC, Appointments and Remuneration Committee of the Company (the "**Committee**") has previously formulated and submitted to the Board a specific report on the Remuneration Policy, which is attached hereto as Annex. This Committee's report has been drafted pursuant to the provisions of article 529 quindecies paragraph 3.g of the LSC, and includes itself as an appendix the Remuneration Policy proposed by the Committee to the Board of Directors for General Shareholders' Meeting approval.

It is also noted by the Board of Directors that the content of the Remuneration Policy is giving continuity to the Remuneration Policy for years 2016 to 2018 (approved by 2016 General Shareholders' Meeting) and amended by General Shareholders' Meeting to be held next June 6, 2018 on first call, or June 7 on second call.

II. SUPPORTING PROPOSAL

The Board of Directors, during its session held today, has analyzed the aforementioned Committee's report together with its annex, and has considered that the report duly justifies Remuneration Policy for the Company on the proposed terms, including its limited duration for years 2019, 2020 and 2021.

As indicated by the Committee, this Policy has been drafted based on the fundamental principles of moderation, prudence and generating long-term value, in order to maintain internal equity while trying to improve external competitiveness, and therefore remains true to the principles established in our previous policy, applicable to years 2016 to 2018.

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In addition, the Board considers that, in accordance with article 529 novodecies paragraph 1 of the LSC, Remuneration Policy that has been proposed by the Committee fits into the remuneration system provided for in article 37 of the Bylaws.

Considering all of the above, the Board endorses the report of the Committee, considering that it sufficiently motivates the proposed Remuneration Policy for the purposes of this document as well as the full text of the Policy, as it is drafted in the Annex attached to the report. In this sense, it also endorses the text and submits it to the Shareholders' General Meeting for its consideration and, if so, approval, issuing the following proposed resolution:

"To approve, pursuant to the provisions of Article 529 novodecies of the Spanish Companies Act and article 37 of the Bylaws of the Company, and following Appointments and Remuneration Committee's proposal, the directors' remuneration policy for financial years 2019, 2020 and 2021."

This document, together with the attached Committee's report, as well as the Remuneration Policy, shall be made available to the shareholders on the corporate website (www.meliahotelsinternational.com) in the manner legally provided. Shareholders will have the right to request the delivery or dispatch free of charge of these documents.

Translation for information purposes only

ANNEX

APPOINTMENTS AND REMUNERATION COMMITTEE SPECIFIC REPORT

REGARDING DIRECTORS' REMUNERATION POLICY

FOR YEARS 2019,2020 AND 2021

Palma, 22nd March 2018

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I. PURPOSE OF THE REPORT

This report has been drafted by the Appointments and Remunerations Committee (hereinafter the "**Committee**") of Meliá Hotels International, S.A. (hereinafter the "**Company**") pursuant to the provisions set forth in article 529 novodecies of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of July 2 (hereinafter, "**LSC**"), regarding the proposal of the Directors' Remuneration Policy for years 2019 to 2021, that will be submitted for its approval by the Ordinary Shareholders' General Meeting of the Company.

II. APPLICABLE REGULATIONS

a) LSC

- Article 217 of the LSC states that:

"Article 217. Compensation of Administrators

- 1. The position of an administrator is uncompensated, unless the articles of association otherwise provide, specifying the compensation scheme.*
- 2. The established compensation scheme will determine the category or categories of compensation to be received by the administrators in their capacity as such. They may consist, inter alia, of one or more of the following:*
 - a) A fixed allocation,*
 - b) Attendance allowances,*
 - c) Profit-sharing,*
 - d) Variable compensation with general reference parameters or indicators,*
 - e) Compensation in the form of shares or compensation tied to the evolution thereof,*
 - f) Termination indemnification, provided that it is not based on breach of the functions as an administrator, and*
 - g) Such savings or pension schemes as are deemed to be appropriate.*
- 3. The maximum amount of annual compensation of all administrators in their capacities as such must be approved by the general meeting and will remain in effect until modification thereof is approved. Unless otherwise determined by the general meeting, the distribution of the compensation among the various administrators will be established by agreement among them and, in the case of the board of directors, by decision thereof, which must take account of the functions and responsibilities assigned to each director.*

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4. *The compensation of the administrators in any event must be in reasonable proportion to the size of the company, the economic situation existing from time to time and the market standards of comparable undertakings. The established compensation scheme must be aimed at promoting the profitability and long-term sustainability of the company, and must incorporate the safeguards necessary to prevent excessive risk assumption and reward of unfavorable results.*

- Article 529 quindecies of the LSC states, among other regulations, the following:

“Article 529 quindecies. Appointment and remuneration committee.

[...] 3. Without prejudice to other functions given to it by the law, the articles of association or, in accordance therewith, the regulations of the board of directors, the appointment and remuneration committee will have at least the following:

[...]

g) Proposing to the board of directors, the remuneration policy for directors and general managers or those performing senior management functions under the direct supervision of the board, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive directors, ensuring compliance therewith.

[...]

- Articles 529 octodecies of the LSC, states that:

“Article 529 octodecies. Compensation of directors for performance of executive duties

- 1. The compensation of directors for performance of executive functions contemplated in the contracts approved in accordance with the provisions of sec.249 will be in accordance with the compensation policy for directors which necessarily must contemplate the amount of annual fixed compensation and changes therein over the term to which the policy refers, the various parameters for fixing the variable components and the principal terms and conditions of their contracts, in particular covering their term, indemnification for early departure or termination of the contractual relationship and exclusivity, post-contractual noncompetition and minimum term or loyalty clauses.*
- 2. It corresponds to the board of directors to fix the compensation of the directors for performance of executive functions and the terms and conditions of their contracts with the company in accordance with the provisions of sec. 249.3 and the compensation policy for directors approved by the general meeting.”*

- Article 529 novodecies of the LSC states, among other regulations, the following:

“Article 529 novodecies. Approval of Compensation Policy for Directors

“1. The compensation policy for directors will be adapted as applicable to the compensation scheme contemplated in the articles, and will be approved by the general shareholders’ meeting at least every three years as a separate point on the agenda.

2. Reasons must be given for the proposal of the policy for compensation of the board of directors, and a specific report of the appointment and remuneration committee must be attached. Both documents will be made available to the shareholders on the company’s

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website from the call of the general meeting. The shareholders also may request that they be sent or delivered free of charge. The announcement of the call of the general meeting will mention this right.

3. The compensation policy for directors as so approved will remain in effect for the three years following the year of its approval by the general meeting. Any modification or replacement thereof during the aforesaid term will require prior approval of the general shareholders meeting using the procedure established for approval thereof. [...]"

b) Melia Hotels International S.A.'s Bylaws

- Article 37 of the Bylaws states that:

"ARTICLE 37.- Remuneration of Directors

37.1 Remuneration of Directors.

Directors shall be remunerated. The remuneration of Directors for this position consists of an annual amount, global for each of them, which maximum amount shall be approved by the General Shareholders Meeting, which will be valid until a modification is approved, without prejudice to the payment of the fees or remuneration that they may receive from the company, owing to a contractual relationship other than that derived from the position of Director (for instance, for professional services provided or derived from their employment relationship, as the case may be), which shall be subject to the legal system applicable thereto.

The determination of the remuneration of each Director in their position as such shall be for the Board of Directors, which shall take into account the functions and responsibilities assigned to each Director, if they are members of Board Committees and other objective circumstances that may be considered relevant.

The remuneration shall be composed of two elements:

a) A fixed annual allowance.

d) Allowance to attend the sessions of the Board of Directors and of the Committees in which he is a member.

The remunerations policy of the Directors in their positions as such shall comply with this article and shall be approved by the General Meeting in the manner set forth in the Law.

The Directors who perform executive duties in the Company shall additionally receive the amounts corresponding to the performance of such executive duties, according to the remunerations policy of the Directors approved by the General Meeting and the Board of Directors shall approve the terms and conditions of the contracts that the Directors make with the Company, in the manner set forth in the Law, these Bylaws and the Regulations of the Board of Directors.

37.2 Other remuneration systems. In addition, and regardless of the remuneration considered in the previous section, remuneration systems based on the share price or related to the provision of stock or stock options are foreseen for the Directors. The application of such systems must be approved by the General Shareholders Meeting which will also decide the number of shares to be assigned in each financial year to this remuneration system, the price or calculation system of the price at which stock options may be exercised, the price of the shares which, as the case may be,

may be taken as reference and the duration of such plan and any other conditions considered appropriate.

After compliance with legal requirements, similar remuneration systems may also be established for company personnel (executive or otherwise)."

c) Regulations of the Board of Directors of Melia Hotels International S.A.

- Article 15.2 of the Regulations of the Board of Directors states that:

"Article 15.- The Appointments and Remuneration Committee

[...]

15.2 Organization and responsibilities. [...] The responsibilities of the Appointments and Remuneration Committee, and without prejudice to any others that the Law, the Company Bylaws and these Regulations, are at least as follows:

[...]

f) To propose to the Board the remuneration policy for Directors and CEOs or those who develop their senior management functions under direct control of the Board, of Executive Committees or CEOs, as well as individual remuneration and other contractual conditions of the Executive Directors, ensuring its compliance. To regularly review said remuneration policy, assessing their appropriateness and return.

g) To ensure transparency in remuneration.

[...]

- Article 24 of the Regulations of the Board of Directors states that:

"Article 24.- Remuneration of Directors

24.1 Directors, in its capacity as such, have a right to pertain the remuneration set by the General Shareholders Meeting in accordance with the Company Bylaws.

24.2 The determination of the remuneration of each Director in its capacity as such, within the maximum amount approved by the General Meeting of Shareholders in accordance with the preceding paragraph, corresponds to the Board of Directors. The Board of Directors will ensure that the remuneration of Directors is related to their effective dedication, the roles and responsibilities attributed to each Director, the Delegates Committees' membership and other objective circumstances that are relevant . The Board will also ensure that the amount received by Independent External Directors provides incentives to encourage dedication but does not hinder their independence.

24.3 The remuneration of the Board of Directors will be transparent, the total amount being reported in the Annual Report on Corporate Governance.

24.4 The amounts received should be compatible with and independent of salaries, other remuneration, compensation, pension, share options or any other form of payments established in general for all Executive Directors or in particular for any one of them, for the performance of executive duties, whatever the nature of their relationship with the company, whether it be

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through employment – general or senior management –, commercial or on a service basis, relationships that will be compatible with their condition as members of the Board of Directors. To this end, the Executive Directors will sign the corresponding contracts with the Company in accordance with the Law and the Company Bylaws.

Pursuant to the aforementioned regulation, this Committee proceeds to issue this report, which contains as Annex I the proposal of the Remuneration Policy for directors for the years 2019, 2020 and 2021 which will be submitted to the Board of Directors for the purpose of submission to the approval of the General Meeting, and emphasizing that the same is giving continuity to the previous Remuneration Policy, including its amendment proposal for year 2018 that Committee proposes in the same date to the Board of Directors in order to be submitted to General Shareholders' Meeting.

III. REPORT AND PROPOSAL ON THE REMUNERATION POLICY FOR DIRECTORS

The Remuneration Policy approved in 2016 expires in 2018 and is going to be amended by General Shareholders' Meeting to be held in 2018 according to the proposal submitted by this Committee to the Board of Directors, according to the following points:

- Amendment of the maximum amount to be payable as directors' remuneration in their capacity as such for financial year 2019.
- Technical improvement of the wording for explanation of the amounts regarding long-term variable remuneration.
- Inclusion of market conditions in relation with Directors' life and accidents insurances.
- Inclusion of pension schemes for Executive Directors, in the terms detailed in attached document.

For the appropriate purposes, the Committee submits to the Board the proposed Remuneration Policy for the Directors for the years 2019, 2020 and 2021, attached hereto as Annex I, which is adapted to the particular conditions of the Company and to usual practices within similar stock-listed companies, and is based on the principles of moderation, prudence and generating long-term value, with the goal of maintaining the internal equity and improving the external competitiveness. In addition, the proposed Policy complies with the provisions set out in Article 217.4 LSC, which states that:

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*"The compensation of the administrators in any event must be in reasonable proportion to the **size of the company**, the **economic situation existing from time to time** and the **market standards of comparable undertakings**. The established compensation scheme must be aimed at **promoting the profitability and long-term sustainability of the company**, and **must incorporate the safeguards necessary to prevent excessive risk assumption** and reward of unfavorable results. "*

In short, the content of that proposal corresponds to the following:

- Compensation of Directors on their capacity as such.
- Fixed Remuneration of Directors for the performance of Executive functions.
- Variable remuneration of the Executive Directors, consisting of:
 - Short-term variable remuneration.
 - Long-term variable remuneration.
- Other benefits
- Basic conditions of the Executive Directors' contracts.

Given the characteristics of the mentioned Policy, the Committee concludes that it is in line with the legal and internal regulations identified in this report, so therefore it is proposed to be submitted to the General Meeting by the Board of Directors the following agreement:

" To approve, pursuant to the provisions of Article 529 novodecies of the Spanish Companies Act and article 37 of the Bylaws of the Company, and following Appointments and Remuneration Committee's proposal, the directors' remuneration policy for financial years 2019, 2020 and 2021".

ANNEX I

**REMUNERATION POLICY FOR THE DIRECTORS
YEARS 2019, 2020 AND 2021**

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I. PURPOSE AND BASIC PRINCIPLES

Directors' Remuneration Policy of Meliá Hotels International, S.A. ("**Meliá Hotels International**" or the "**Company**") for years 2019, 2020 and 2021 sticks true to principles of former policy, including moderation, prudence and generating long-term value, and maintaining the internal equity and improving the external competitiveness.

Bylaws and Regulations of the Board collect such fundamental principles, expressly providing that the remuneration of the Directors takes into account their actual dedication, adapting itself in any case to market demands. In addition, Remuneration Policy defined in the Bylaws and in the Regulations of the Board seeks the remuneration of the Independent External Directors to provide incentives for their dedication, ensuring that, in any case, it will not be an obstacle to their independence.

As detailed in section III below, a differentiated remuneration system is established for the remuneration of the Executive Directors of the Company, on the basis that they have their own additional responsibilities regarding their managing functions in the Company or its Group.

In addition, article 24 of Regulations of the Board of Directors establishes that the amounts received should be compatible with and independent of salaries, other remuneration, compensation, pension, share options or any other form of payments established in general for all Executive Directors or in particular for any one of them, for the performance of executive duties, whatever the nature of their relationship with the company, whether it be through employment – general or senior management –, commercial or on a service basis, relationships that will be compatible with their condition as members of the Board of Directors.

In any case, the Regulations of the Board of Directors provide that the remuneration of the Board of Directors will be transparent, the total amount being reported in the Annual Report on Corporate Governance.

II. COMPETENT BODIES

Appointments and Remunerations Committee

As part of the analysis process and determination of the Remuneration Policy of the Company, the Appointments and Remuneration Committee plays a fundamental role. The faculties of the Committee in relation to this process, as regulated in Articles 39 ter of the Bylaws and 15 of Regulations of the Board of Directors, are as follows:

- To propose to the Board the Remuneration Policy for Directors and CEOs or those who develop their senior management functions under direct control of the Board, of Executive Committees or CEOs, as well as individual remuneration and other contractual conditions of the Executive Directors, ensuring its compliance. To regularly review said remuneration policy, assessing their appropriateness and return; and
- To ensure transparency in remuneration.

In addition to the above, the Appointments and Remuneration Committee participates actively throughout the process of determining the policy remuneration, formulating those proposals and / or reports required by the applicable law and getting involved in specific processes detailed along the this Policy.

Shareholders' General Meeting

In accordance with Article 37 of the Bylaws, the role of the General Meeting of Shareholders in this process is to approve the maximum amount of the fixed Global annual remuneration entitled to all the Directors in their capacity as such, notwithstanding payment of fees or remuneration that they can obtain from the Company for the rendering of professional services or derived from staff work, as appropriate.

In addition, the application of any remuneration systems with reference to market value of the shares or that entail the delivery of shares or stock options, must also be approved by the General Meeting.

In such a case, the General Meeting is the competent body to determine the value of the shares taken

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as a reference, the number of shares awarded to each Director, the exercise price of the option rights, the term of this remuneration system and other conditions deemed appropriate.

Board of directors

The participation of the Board of Directors in determining the retribution occurs in two relevant moments.

On the one hand, the Board of Directors discusses the Proposals and Reports that the Appointments and Remuneration Committee prepares on remuneration matters, using the tools that the Committee facilitates (statistical or comparative information, third-party reports, etc.) for the elaboration of proposals to be submitted to approval of the General Meeting of Shareholders, as the maximum amount of the overall annual remuneration or those articles of the Bylaws or of the Regulations concerning remuneration.

On the other hand, once approved at the General Meeting of Shareholders the maximum amount referred to in the preceding paragraph, the determination of the individual remuneration of each director corresponds to the Board of Directors based on a proposal from the Appointments and Remuneration Committee, taking into account at all times the faculties and responsibilities attributed to each director, the membership to the Board's Delegated Committees and other objective circumstances deemed relevant (i.e. Delegated Committees Presidency, Board Secretariat, ...).

In addition to the above, and with regard to Directors performing executive functions in the Company, the Board of Directors, following a proposal of the Appointments and Remuneration Committee, is the body responsible for approving the terms and conditions of the contracts concluded between such Directors and the Company in the manner prescribed in the Capital Companies Act, the Bylaws and the Regulations of the Board of Directors. By virtue of such contracts, which must in any case comply with this remuneration policy, the Executive Directors may receive certain additional amounts for the performance of these executive functions.

III. REMUNERATION STRUCTURE

A differentiated remuneration system is established for Directors in their capacity as such and for Executive Directors of the Company, for having the latter added responsibilities.

a. Remuneration structure of the Directors in their capacity as such:

In accordance with the provisions of Article 37.1 of the Bylaws, the remuneration of the Directors in their capacity as such consists of:

- A fixed annual allocation.
- Attendance fees for meetings of the Board of Directors and Committees of which they are part.

The maximum remuneration amount of the Directors, in their condition as members of the board, is established in ONE MILLION TWO HUNDRED THOUSAND EURO (€ 1,200,000), under the terms that will be approved by the General Shareholders' Meeting. The mentioned amount will be in force until the General Meeting Shareholders' decides so.

The accrual of the remuneration in respect to the fixed annual allocation is monthly in arrears, so that the remuneration of each Director will be proportional to the period in which they have held office during the year in which the remuneration is fixed.

Also, taking into account the roles and responsibilities attributed to each of them, according to the previously stated.

b. Remuneration structure for the performance of executive duties

In addition to the above, the Executive Directors can count on their retributive package with:

I. Fixed annual remuneration: for the performance of their executive duties.

II. Variable remuneration, consisting of the following:

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○ **Short-term Variable Remuneration**

The variable remuneration in the short term will be set as a percentage of the fixed remuneration. For its determination and calculation of the final amount, different objectives linked to the most critical results of the Company and the annual goals established will be weighted, applying, if feasible, the same criteria also set for senior management of the Company.

Fixing and assessing the level of compliance of the variable remuneration in the short term of the Executive Directors will be annually carried out by the Board of Directors after a proposal from the Appointments and Remuneration Committee.

The model of short-term variable remuneration will be aligned with the Company and indicators and annual targets will be established linked to:

- Compliance with the annual targets set in the Strategic Plan of the Group.
- Mitigation of the risks identified as most relevant to the Company.
- Assessment of individual performance as chief executive, if applicable.

The target amount (100%) of the short-term variable remuneration will correspond with a percentage of the fixed salary, establishing a minimum theoretical collection of 0% and maximum of 150%, with an intermediate rating scale ranging between 60% and 150% depending on the level corresponding to the type of objective.

Compliance levels of these objectives can be divided into the following:

- Economic Objectives: In which the maximum is 150% and minimum is 0%, with a scale that links the collection ratio to the percentage of compliance. The evaluation of these objectives is based on compliance with the annual goals (budget) defined individually for each objective, using the actual accounting amount on annual closure as reference for compliance.

All objectives of this type have goals and results measurable, so that the percentage of compliance is the result of dividing the actual amount by the budgeted amount.

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- Non-economic objectives: They have a maximum of 130% and minimum of 0%, with a four-level of compliance gradual scale (0%, 75%, 100% and 130%).

The evaluation of these objectives will be based on a performance scale, defined by the Appointments and Remuneration Committee, divided into cumulative levels of milestones' compliance.

Annually, indicators and targets linked to short-term variable remuneration will be adjusted based on the Group's priorities.

In line with the principles of good governance, payment of short-term variable remuneration will occur after a reasonable time after the end of the year, within the first 60 calendar days following the formulation of the annual accounts, prior approval of the Board of Directors on a proposal from the Appointments and Remuneration Committee.

○ **Long-term Variable Remuneration**

The Multi-year, three-year, remuneration will be linked to the results of the Strategic Plan of the company, whose goals and objectives are of the same length as the accrual of the Multiyear remuneration.

The target amount (100%) of this multi-year variable remuneration is based on a fixed amount which will vary depending on the hierarchical level being 150% the collection maximum of the target amount and the minimum being 0%.

In line with the principles of good governance, payment of multi-year variable remuneration will occur after a reasonable time after the closing of the last Strategic Plan exercise, within the first 60 calendar days following the formulation of the annual accounts of that year, prior approval of the Board of Directors on a proposal from the Appointments and Remuneration Committee.

In any case, the General Meeting must approve the Multi-year variable remuneration Plan.

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IV. OTHER BENEFITS

Life and accident insurance: The Executive Directors may have a life and accident insurance policy with a maximum insured capital of a fixed annual salary.

Private Health Insurance: The Executive Directors may have a Private health insurance for themselves and their family unit.

Pension Scheme: Executive Directors may have a pension scheme to cover retirement, death or disability. The scheme shall be arranged through contributions of the Company to life insurance policy following the terms and conditions that, from time to time were usual in the market, with a maximum contribution of 10% of their fixed annual salary.

As stated in section II above remuneration systems, linked to the shares' value of trading or involving the delivery of shares or options' rights on them, may be established. The application of these remuneration systems must be approved by the General Meeting of Shareholders, which will determine the value of the shares taken as a reference, the number of shares to be delivered to each Director, the price for exercising the option' rights, the duration of this remuneration system and other conditions deemed appropriate.

V. BASIC CONDITIONS FOR THE EXECUTIVE DIRECTOR'S CONTRACTS

In 2015, Executive Director signed with the Company a commercial contract for the provision of services in accordance with Article 249 of the Spanish Companies Act. In this contract the duties and functions towards the Company of the Executive Director are outlined, as well as the details of the remuneration due to him for the performance of those functions.

The essential terms and conditions of the Executive Directors' contracts are, in addition to those relating to the abovementioned remuneration, the following:

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Exclusivity: The Directors shall not engage in any other labor, commercial or professional activity unless the consent of the Company concurs.

Non-competition: In accordance with Article 229 (f) of the Capital Companies Act, the Executive Directors may not, directly or indirectly, perform activities or professional services involving an effective competition, current or potential, with the Company or its Group.

Such non-compete obligation will have a minimum post-contractual application of one year with the commitment of the Company to compensate the Directors with the payment of an annuity of the annual total remuneration they may have as Executive Directors at the time of termination of the contract. If the post-contractual non-compete obligation is breached, Directors must reimburse the Company the amounts perceived by that concept and indemnify the Company with an amount equivalent to 150% of the amount received by that concept.

Compensation: Directors will be compensated with the amount equivalent to one annuity of their total remuneration, in the case any of the following causes concurs:

Unilateral Termination by the Executive Director: derived from failure (serious and culpable) by the Company of contractual obligations included in the contract or a substantial amendment of their functions, powers or conditions of their rendering of services, for reasons not attributable to the Executive Director.

Unilateral Termination by the Company: no motivated by failure of the Director.

**INFORMATION DOCUMENT RELATED TO
THE EURO COMMERCIAL PAPER PROGRAMME**

Palma, March 23, 2018

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I. PURPOSE

The purpose of this document is to inform shareholders of Meliá Hotels International, S.A. (the “**Company**”), on the occasion of the call of the Ordinary General Shareholders' Meeting for 2018, in relation to the Euro Commercial Paper Programme, dated September 22, 2017, for a maximum amount of EUR 300,000,000, with similar characteristics as the ones formalized on May 8, 2015 and September 16, 2016, of which the shareholders were informed of within General Shareholders' Meetings held on June 23, 2016 and on June 8, 2017.

Pursuant to the authorization conferred by the General Shareholders' Meeting of June 4, 2015, under Agenda item eleven, the Board of Directors approved the aforementioned Program, issuing this information document in compliance with Resolution Eleven (sect. xii) adopted by the General Shareholders' Meeting of June 4, 2015.

II. EURO COMMERCIAL PAPER PROGRAMME FOR A MAXIMUM AMOUNT OF EUR 300,000,000

The Company's Board of Directors, pursuant the authorization granted by the Ordinary General Shareholders' Meeting held on June 4, 2015, resolved to approve and, to the extent necessary, renew the aforementioned Euro Commercial Paper Programme with Banco Santander S.A, subject to English law, for a maximum amount of EUR 300,000,000 pursuant to which the Company may issue debt securities maturing in less than 364 days (short-term), up to the aforementioned amount (the “**Program**”). The Program was registered with the Irish Stock Exchange where, pursuant thereto, the successive issuances are admitted to listing.

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Summary of the general conditions for the Program:

Maximum amount of the Program:	EUR 300,000,000
Minimum nominal amount of the securities issued:	EUR 100,000*
Registered with:	Irish Stock Exchange
Type of debt:	European Commercial Paper ECP
Signature date of renewal of the Program:	September 22, 2017
Expiration of renewal of the Program:	September 21, 2018
Debt rank:	Unsecured
Coupon:	Zero coupon
Issue price:	Discount
Maturity of issues:	Short term, between 1 and 364 days
Yield to maturity:	100%

* The program allows securities to be issued in other currencies and, in these cases, the minimum nominal amount shall be the one indicated in the program brochure.

In 2017, pursuant to the Euro Commercial Paper Programme, issues were launched for a total amount of EUR 131,770,000, and as of December 31, 2017, issues amounting to EUR 71,770,000 remained outstanding.

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