

EXHIBIT I

**ANNUAL REPORT ON DIRECTORS REMUNERATION
AT LISTED COMPANIES**

DATA IDENTIFYING THE ISSUER

FINANCIAL YEAR END: 12/31/2017

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COMPANY NAME

MELIA HOTELS INTERNATIONAL S.A.

REGISTERED ADDRESS

GREMIO DE TONELEROS,24 POL.IND. SON CASTELLO (PALMA DE MALLORCA) BALEARES

ANNUAL REPORT ON DIRECTORS' REMUNERATION MODEL AT LISTED COMPANIES

A REPORTING COMPANY'S REMUNERATION POLICY FOR THE YEAR IN PROGRESS

A.1 Explain the corporate remuneration policy. This section will include information on:

- General remuneration policy principles and fundamentals.
- The most significant changes in remuneration policy with respect to that applied during the prior reporting period, including any changes made during the year to the terms for exercising stock options already granted.
- Criteria used to determine, and composition of, the groups of comparable companies whose remuneration policies have been examined in the course of establishing the company's remuneration policy.
- The relative importance of the remuneration inputs used to determine fixed pay and the criteria followed to determine the various components of the directors' remuneration packages (remuneration mix).

Explanation of the remuneration policy

(i) General remuneration policy principles and fundamentals.

The remuneration policies for ("Meliá Hotels International" or "the Company") applied in 2018 endeavor to adapt to the Company's true situation, with deeply ingrained basic principles of moderation, prudence, and the generation of long-term value, while at all-time ensuring an internal balance while bolstering external competitiveness, so that the Company may annually boast the renowned Spencer Stuart (an American company founded in 1956 which stands out as one of the leading consulting and executive search firms worldwide, and publishes its "Board Index.").

Company Bylaws and Board of Directors' Regulations include all basic principles, and expressly foresees the remuneration paid to its members based on effective dedication, and at all times adapted to market demands. Also, the remuneration policy defined in the bylaws and regulations seek to offer Independent Executive Directors incentives to award their dedication, while assuring that at no time this represents an obstacle to independence.

In any event, the Board of Directors Regulations establish that Board of Director remuneration be transparent, reporting on the total amount in the notes to the Financial Statements as well as the Annual Corporate Governance Report.

(ii) Key amendments during 2018

A change in the current remuneration policy will be put to the General Shareholders' Meeting to be held in 2018 that will include:

- A change in the amount of the cap on total remuneration of Directors in their capacity as such for financial 2018.
- A technical improvement in the wording of the explanation of the amounts to be received as long-term Variable Remuneration.
- Inclusion of a reference to market practices in relation to life and accident insurance for Executive Directors.
- Inclusion of pension plans for Executive Directors to align with market practice for the

position.

In addition, the changes will reflect the rules established in article 217.4 of the Companies Act that states that “The remuneration of Directors shall at all times be in reasonable proportion to the importance of the company, its economic situation at each moment and the market standards for comparable companies. The remuneration system that is established must be designed to encourage the company’s profitability and long-term sustainability, and should include the necessary safeguards to prevent excessive risk-taking and the rewarding of unfavorable results.”

(iii) Criteria adopted

To define the company’s remuneration policy an analysis is made of public data for listed companies with a similar market capitalization, and the remuneration formulae of companies in a similar line of business are taken into consideration.

(iv) Remuneration items

Apart from the fixed and variable components detailed further on, a remuneration scheme referenced to the listed value of shares or which involves the delivery of shares or share options on them. The application of the above remuneration schemes must be approved by the shareholders’ general meeting, who will determine the value of the shares taken as a reference, the number of shares to be delivered to each Board member, the exercise price of the share options, the duration of the remuneration system, and other applicable conditions.

The short-term variable component is a set percentage on the fixed salary, designed to reward results and the compliance with annual objectives. Percentages and caps on variable remuneration in relation to fixed remuneration in particular are indicated in the corresponding sections describing the variable components of the remuneration systems (see Section A.4). In the case of the criteria for determining the components of the remuneration package for Directors, these have been based on market salary surveys for similar positions in companies of a similar type and capitalization obtained from various internationally-renowned consultants as well as from public information.

The remuneration concepts are based on the type of director, with a differentiated remuneration for the Chief Executive Officer, given the responsibility of the position as the Company’s most senior executive.

Executive and Non-executive Directors:

To reflect board member dedication and responsibility inherent to their roles, their remuneration is comprised of two parts:

- A fixed annual allocation related to their responsibility as board members.
- Fees for attendance at Board meetings and their Committees.

Chief Executive Officer:

In addition to the above, in the case of Chief Executive Officer due to the added responsibility arising from performing the Company’s/Group’s management functions, they are entitled to a compensation packet including:

- A fixed annual remuneration for carrying out executive duties.
- A variable portion linked to results, as detailed in Section A.4 of this report.
- A pluri-annual triennial remuneration as described in Section A-4 of this report.

The fixed annual remuneration will be paid at the end of the month, in that each member’s compensation is proportional to the amount of time the party in question has exercised his/her position during the year related to the compensation.

Article 24 of the bylaws state that the outlined terms shall be compatible with and independent of any salaries, remuneration, indemnities, pensions or compensations applicable generally or specifically for Executive Directors for the performance of their executive duties or who have a common or senior management employment relationship, regardless of the nature of their

relationship with the Company be it legal, common or senior management employment relationship or service provision relationship which are compatible with the position of board member.

A.2 Information on the preparatory work and decision-making process followed to determine the remuneration policy and role, if any, performed by the remuneration committee and other supervisory bodies in shaping the remuneration policy. This information will include, where appropriate, the mandate given to the remuneration committee, its composition and the identity of the external consultants whose services have been used to define the remuneration policy. Also describe the character of the directors, if any, who have been involved in the definition of the remuneration policy.

Explain the remuneration policy design process

In compliance with article 37 of the Company's bylaws, board member remuneration consists of an annual assignment, global for all, the maximum amount of which must be approved by the shareholders' general meeting, prevailing as long as no modifications are made, all without prejudice to the payment of the fees or remuneration arising from a contractual relationship other than that of board members, which must be submitted to applicable legislation.

The determination of each board member's individual remuneration is made by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, at all-time contemplating the functions and responsibilities attributed to each member in his/her role as such, as well as belonging to the Delegated Committees and other objective circumstances considered relevant. This includes the analysis of general market data on remuneration practices prepared by the Human Resources Department and extracted from the Spencer Stuart Boards of Directors Report, which was made available to the Appointments and Remuneration Committee.

The Board members performing the role of executive director receive additional remuneration for the discharge of their executive duties in accordance with the Board of Directors' remuneration policies approved by the shareholders in general meeting; the Board approves the terms and conditions of the agreements between the board members and the Company, based on preliminary approval by the Appointments and Remuneration Committee. As established by the Capital Companies Law, Company bylaws and the Board of Directors Regulations. To that end the Appointments and Remuneration Committee. Contemplates the prior remuneration data analysis prepared by the Company's Human Resources Department taken from the Hay Group's (a global management consultancy created in 1943, specializing in transforming organizations and the preparation of worldwide remuneration analyses) Study on Management/Executive Director Remuneration, in relation to the remuneration positioning of the Executive Directors vs. the market.

Remuneration schemes linked to the value of listed shares or which represent the delivery of shares or share option rights are applied based on approval at the General Shareholders meeting in the terms set forth in above Section A.1.

The Appointments and Remuneration Committee was comprised of the following at year-end 2017 and at the date of approval of this report:

Mr. Francisco Javier Campo García, Independent External Director.
Hoteles Mallorquines Consolidados, represented by Ms. María Antonia Escarrer Jaume, Non-Executive Director.

Mr. Fernando D'Ornellas Silva, Independent External Director.

Ms. Luis Maria Díaz de Bustamante y Terminel, Independent External Director.

The functions of the Appointments and Remuneration Committee as regards the above process as expressly stated in Articles 39 of the bylaws and 15 of the Board of Directors Regulations, which follow:

- Propose the remuneration policies for board members and General Managers to the Board, or for individuals carrying out top management positions under the direct supervision of the Board, the Executive Committees, as well as individual remuneration, as well as any other contractual conditions for Executive Directors, as well as ensuring their observance. Periodically reviewing the

remuneration programs, considering their appropriateness and utility,

- and to ensure transparency on remuneration matters.

In addition to the above, the Appointments and Remuneration Committee actively participates in determining remuneration policies throughout the entire process, making legally-applicable proposals and/or reports, while also being involved in specific processes detailed in this report.

- A.3 Indicate the amount and nature of the fixed components, with a breakdown where necessary, of the remuneration for the performance of senior management functions by the executive directors, the additional remuneration as chairman or member of any board committee, per diem payments for participation in the board and its committees and other fixed payments for the directorship and an estimate of the fixed annual remuneration to which they give rise. Identify other benefits not paid in cash and the basic parameters for which they are given.

Describe fixed remuneration components

Within the fixed remuneration components for board members, items applicable to all Executive Directors differ from those that apply only to the Chief Executive Officer

Executive and Non-executive Directors:

To reflect board member dedication and responsibility inherent to their roles, their remuneration is comprised of two parts:

- A fixed annual allocation related to their responsibility as board members.
- Fees for attendance at Board meetings and their Committees. They are quantified by board

member as follows:

21,636.43 € fixed annual remuneration for board member responsibilities.

5,409.11 € Board of Directors meetings attendance fees.

3,000 € Committee attendance fees.

Chairman of the appointments and remuneration committee: an additional 3,000 € for each Appointments Committee held.

To the Chairman of the Audit and Compliance Committee: an additional 3,000 € for each Audit and Compliance Committee meeting attended.

Secretary to the Board: 6,000 € for each Board of Directors meeting attended.

Executive Directors:

In addition to the above, the Chief Executive Officer receives a compensation package with an annual fixed remuneration for performing of executive duties. At the date of this report the Chief Executive Officer receives a fixed gross annual salary of 731,815.00 euros,.

An increase in the maximum amount payable as total remuneration for the Directors in their capacity as such will be submitted for the approval of the General Shareholders' Meeting to be held in 2018.

- A.4 Explain the amount, nature and main characteristics of the variable components of the remuneration systems.

In particular:

- Describe each of the compensation plans benefiting each Board member, their scope, approval and implementation dates, duration, and key characteristics. Information on stock option plans and other financial instrument plans should include their general terms, and information on the conditions for exercising them.

- Indicate any payments made under profit-sharing or bonus schemes, and the reason for their accrual.
- Key parameters and grounds for any system of annual bonuses.
- Types of board members (executive directors, external directors, independent directors, or other executive directors) who are the recipients of remuneration schemes or plans involving variable compensation.
- The basis for these variable remuneration schemes or plans, selection of performance-assessing criteria, as well as the components and methods for determining whether established criteria has been met, as well as an estimated sum total of variable payments arising from the remuneration policy, based on degree of compliance with pre-set targets or benchmarks.
- Where necessary, provide information on deferment or payment installment plans established, and/or retention periods for any stocks or other financial instruments.

Describe variable components of remuneration policies

As indicated in Section A.1, only the Chief Executive Officer receives variable compensation linked to objectives as part of his remuneration scheme.

The above mentioned CEO variable compensation is comprised of a short-term pluri-annual variable compensation, while the Chairman receives a variable pluri-annual, triennial compensation.

Short-term variable remuneration:

The variable remuneration items for the Chief Executive Officer are established as a percentage of his fixed remuneration, which in this case will be a target remuneration of 60% of his fixed remuneration at the date of issue of the report, that is to say 439,089 euros. This target amount consists of a theoretical minimum of 0% and a maximum of 141%, resulting from the combination of the various assessment scales and the weighting assigned to each objective.

The maximum amount receivable by the Chief Executive Officer as at the date of this report for short-term variable remuneration is 619,115 euros.

To determine this amount, and calculate the total, different results-linked Company objectives and annual objectives are weighted. The same criteria are established for top Company management to determine the CEO's variable portion, and final level of compliance.

The approval of the CEO's objectives for the year underway as well as the determination of degree of compliance for the year ended takes place annually during the Board of Directors meeting, based on their presentation by the Appointments and Remuneration Committee.

The short-term variable compensation model is aligned with that applied by the Company to those persons with short-term variable remuneration, and establishes for the year of the report indicators and annual goals linked to:

- Meeting annual economic targets established.
- Mitigating risks identified as the most relevant to the Company.
- Personal performance in the role.
- Company Expansion Model

Compliance objectives are divided into two groups:

- Economic objectives (EBITDA and indebtedness ratio), in which the maximum compliance is 150%, and the minimum 0%, with a scale linking the collection and compliance percentages. The evaluation of these objectives is based on compliance with annual targets (budget) defined individually for each, using the true accounting figures are yearend as compliance reference.

All these types of objectives include quantifiable targets and results, so that the compliance percentage is the result from dividing the true amount by the budgeted amount.

- Non-economic objectives (especially those arising from the Board as CEO and the number of Expansion Projects signed and operational during the accrual period), which include a maximum compliance of 130% and a minimum of 0%, on a gradual four-tier compliance scale (0%, 75%, 100%, and 130%).

These objectives are evaluated based on a scale defined by the Appointments and Remuneration Committee. Each level of compliance involves reaching a series of benchmarks; all must be met successively to reach the topmost.

The variable compensation model for company management which by definition includes the

Executive Directors is reviewed annually, adjusting indicators and goals in accordance with Group priorities.

In keeping with principles of good governance, the short-term variable compensation payment is made once a prudent period subsequent to year-end has transpired, taking place within the first 60 calendar days after the preparation of the financial statements, once the board has approved the Appointments and Remuneration Committee proposal.

Pluri-annual variable compensation

In his/her role as Chief Executive Officer, in conjunction with other members of the Company's management team, the Executive Director is included in the Pluri-annual Variable Remuneration Plan, as approved by the shareholders in general meeting held on June 23, 2016, effective from 2016-2018.

The above remuneration system was approved in conformity with the stipulations of Article 37.2 of the bylaws, as well as Article 219 of Capital Companies Law, all in order to boost the market value of the shares, and making the Company's directors responsible for its success by sharing in shareholder risks and rewards. The three-year Pluri-annual compensation is linked to the long-term results of the Company, the targets and objectives for which are for the same period as the accrual of the Pluri-annual compensation.

The target amount (100%) of that pluri-annual variable remuneration will be the amount of one annual fixed salary, with the maximum to be received being 130% and the minimum 10%.

The long-term objectives for the 2016-2018 period to which the pluri-annual remuneration for financial 2018 refers are grouped into several blocks:

- Development of the share price [20%]: Growth in the value of the Meliá share price vs. the average growth of the IBEX 35 and the Dow Jones Europe Travel and Leisure index, a calculation that is obtained from the percentage difference between the following two values:

Value 1: The average daily closing rate of the listed price of the Company's share between 12/15/2018 and 02/15/2019 (both inclusive) and the final closing price for the share on 12/31/2015.

Value 2: The arithmetic mean of the development of the following two stock market indexes: the IBEX 35 and the Dow Jones Europe Travel and Leisure index for the same period as Value 1, that is to say, between 12/15/2018 and 02/15/2019 (both inclusive) and the final closing level of the two indexes on 12/31/2015

The percentage difference between Value 1 and Value 2 will be remunerated based on the impact of the result on a base of 100, that is to say, if it is positive it will be added to 100 and if it is negative, it will subtract from 100. The end result will be equal to the percentage to be received.

- Financial Solvency [35%]: A group of targets based on EBITDA excluding capital gains, the indebtedness ratio and revenue per available room.

- Business objectives [30%]: This groups the person's own targets linked to quantitative and qualitative business results, such as average of new hotels opened and signed, recognition and loyalty programs.

- Intangibles [15%] These are measured by the Leadership Index and the Governance Model.

In the case of long-term objectives, the minimum level granting a right to receive the payment is 80%, with the top of the scale being 130%. If the minimum threshold is not reached, the remuneration will be ZERO in the case of all targets, except for the remuneration linked to the share price, for which the minimum right to receive the remuneration is set at 50%. In the case of the remaining objectives that have reached between 80% and 130%, the percentage to be received

will be equal to the percentage of compliance, as all the long-term objectives have been quantified.

In line with principles of good governance, payment of the pluri-annual variable remuneration will take place after a prudent interval following the close of the last financial year of the three-year period, with payment being made within 60 calendar days following the preparation of the annual accounts for that year, once approved by the Board following a proposal by the Appointments and Remuneration Committee.

A.5 Explain the main features of the systems of long-term savings, including retirement and any other survivor benefit, partly or wholly funded by the company, whether endowed internally or externally, with an estimate of their amount or annual equivalent cost, indicating the type of plan, whether defined contribution or defined benefit, the conditions for the vesting of the directors' economic rights and their compatibility with any type of severance payment for early cancellation or termination of the contractual relationship between the company and the director

Also reflect contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes.

Long-term savings schemes

A change in the current remuneration policy will be put to the General Shareholders' Meeting to be held in 2018 that will include pension plans for Executive Directors to align with market practice for the Chief Executive Officer position.

A.6 Indicate any indemnity payments agreed or paid in the event of termination of the directorship.

Describe the indemnities

The Board members are to be indemnified with the amount equivalent to an annual salary in the following circumstances:

- Unilateral removal by the Executive Director: due to infringement (grave and guilty) of the Company of the contractual obligations included in his/her contract, or a substantial modification in functions, powers, or conditions for provision of services not his/her fault.
- Unilateral removal by the Company: not the result of the Executive Director's grave and guilty infringement of legally-established obligations, general due diligence duties, and loyalty with regard to those performed in the position.

These clauses are applicable to the Chief Executive Officer and the Chairman until termination of the agreement (12/14/2016).

A.7 Indicate the conditions that the contracts of executive directors in senior management positions must respect. Among other aspects, give information on the duration, limits to the amounts of indemnity, tenure clauses, notice periods and payments that can replace such notice periods, and any other clauses regarding hiring bonuses, as well as severance payments or ring-fencing for early cancellation or termination of the contractual relationship between the company and the executive director. Include, inter alia, covenants or agreements regarding non-competition, exclusivity, tenure or loyalty and non-competition after termination of contract.

Describe the conditions set forth in executive director contracts

During 2015, the Executive Director entered into a mercantile service agreement with the Company, in conformity with Article 249 of Capital Companies Law. This agreement outlined the obligations and functions of the Executive Director with the Company, as well as a breakdown of the remuneration corresponding to him for carrying out the related functions.

The essential terms and conditions of the Executive Director contracts are, apart from the abovementioned remuneration, the following:

Exclusivity: Executive Directors may not be devoted to any other professional, mercantile, or professional activity unless with the Company's consent.

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

There is also a non-competition agreement for a year post-contract, with the Company agreeing to compensate the Board members with an annual salary as Executive Directors at the time the contract was terminated.

Should the Board members not comply with the post-contractual non-competition clause, they must repay the Company any amounts received in this regard, and indemnify the Company in the amount equal to 150% of the amount received in this regard.

Contract termination: The Executive Directors will be terminated in the following circumstances established by Capital Companies Law, and in such case are at the Board of Directors' disposal to tender their resignation immediately.

The Board members are to be indemnified with the amount equivalent to an annual salary in the following circumstances:

- Unilateral removal by the Executive Director: due to infringement (grave and guilty) of the Company of the contractual obligations included in his/her contract, or a substantial modification in functions, powers, or conditions for provision of services not his/her fault.
- Unilateral removal by the Company: not the result of the Executive Director's grave and guilty infringement of legally-established obligations, general due diligence duties, and loyalty with regard to those performed in the position.

A.8 Explain any additional remuneration paid to directors for services rendered other than those inherent to their directorship.

Describe supplementary remuneration

Company Board members do not have supplementary remuneration.

A.9 Indicate any remuneration granted in the form of advances, credits and guarantees, indicating the interest rate, key features and any amounts finally repaid, as well as the obligations against them by way of guarantee.

Describe advances, loans, and guarantees provided

There were no advances, loans, or guarantees provided to any of the Company Directors.

A.10 Explain the main features of remuneration in kind.

Describe remuneration in kind

The Chief Executive Officer has been provided with private medical insurance for himself and his family.

Life and accident insurance: The Chief Executive Officer is the beneficiary of a life and accident insurance policy with an annual premium of 2,365.49 euros, providing the following coverage:

650,000 euros in the event of death for any reason
650,000 euros for disability for any reason
1,300,000 euros for accidental death

A.11 Indicate the remuneration accruing to the director by virtue of payments made by the listed company to a third party in which the director provides services, when such payments are intended to remunerate the director's services in the company.

Compensation paid to board members arising from payments by virtue of payments made by the listed company to a third-party entity in which the board member provides services.

No payments were made to third-party entities arising from services provided to Board members.

A.12 Any kind of remuneration item other than those listed above, regardless of their nature or the group entity paying them, especially when it may be considered a related-party transaction or when its issuance would distort the true picture of the total remuneration received by the director.

Describe other items of remuneration

There were no additional remuneration complements in addition to those already mentioned.

A.13 Explain the actions taken by the company in connection with the remuneration system to reduce excessive risk exposure and match it to the long-term targets, values and interests of the company. Include, where appropriate, a reference to: measures designed to ensure that the remuneration policy is aligned with the long-term performance of the company; measures establishing an appropriate balance between fixed and variable compensation; measures taken in relation to those categories of staff whose professional activities have a material impact on the risk profile of the entity; clawback formulae or clauses to reclaim variable components of performance-based remuneration when such components have been paid on the basis of data that is subsequently proven to be wholly inaccurate; and measures designed to prevent conflicts of interest, where applicable.

Actions established to reduce risk

According to Article 14 of the Regulations of the Board of Directors, one of the duties of the Audit and Compliance Committee is to supervise the effectiveness of the company's internal control, the Internal Audit services and the risk management systems, including tax risks. This Committee is informed on a regular basis of the results of the Group's Risk Mapping with an analysis of the main risks faced by the Group and their development, as well as their matching against the company's strategy.

The duties of the Appointments and Remuneration Committee include submitting proposals to the Board on remuneration policy for Directors, General Managers and other senior management levels reporting to the Board, Executive Committees and Chief Executive Officers, and ensuring they are observed, as well as regularly reviewing the remuneration policy (article 15 of the Regulations of the Board of Directors).

The Chair of the Audit and Compliance Committee is also a member of the Appointments and Remuneration Committee. This cross-membership of the two committees is helpful in the consideration of the risks of the variable remuneration system, both when defining it and in its presentation to the Board.

The job descriptions for the company's entire senior management team (Executive Committee and Direct Report members) contain specific responsibilities in relation to risk management, including the definition of the measures necessary for the management of the main risks, as well as the use of the Risk Map as a management tool to be considered during the process for the setting of objectives. In setting the targets linked to the Variable Remuneration in both the short and long term the Company's Risk Map is taken into consideration at all times for the purpose of establishing specific targets designed to mitigate risks, with express communication of the details together with the rest of the guidelines at the moment of the launching of the target-setting process.

The short-term variable remuneration system for Meliá is designed to take into account the long-term objectives of the company, as well as the principal risks. The system differentiates between common targets (60% of the total weight of the variable remuneration), aligned with the results and objectives of the company established for the long term, and specific targets for each specific area (40% of the variable remuneration).

In line with good governance principles, the payment of variable short and long-term remuneration takes place after a prudent interval following the close of the last financial year to be considered for the evaluation, with payment being made within 60 calendar days following the preparation of the annual accounts for that year and their review by the external auditors. Payment is to be made with the approval by the Board at the proposal of the Appointments and Remuneration Committee.

B REMUNERATION POLICIES FORESEEN FOR UPCOMING YEARS

Repealed

C OVERALL SUMMARY OF REMUNERATION POLICY APPROVAL PROCESS

- C.1 Give a brief explanation of the main features of the structure and remuneration items of the remuneration policy applied during the last financial year, resulting in the breakdown of the individual remuneration accrued by each of the directors listed in Section D of this report, and a summary of the resolutions passed by the board to implement these items.

Remuneration policy structure and concepts applied during the year

The remuneration policy applicable during the reference year was established from the Board member Remuneration Policy, which was submitted to a vote during the general shareholders meeting held on June 23, 2016, as stipulated in Law 31/2014, of December 31, which amends Capital Companies Law.

The above policy enacted the new remuneration policy for the Board of Directors in their roles as such for 2016, 2017, and 2018, without increasing the annual amount paid, differentiating the assignment of the annual fixed amount paid for board member responsibilities and attendance fees to meetings and Commissions.

The remuneration policy defined in the bylaws and the Regulations seeks to ensure that the remuneration of External Directors provides an incentive for their dedication while ensuring that it at no time represents an obstacle to their independence. The Regulations of the Board establish that the remuneration of the Board of Directors should be transparent, and that its overall total must be informed in both the Annual Report and the Annual Corporate Governance Report.

The following is a summary of the Company's Board member remuneration during 2017

Board members as such:

Fixed remuneration: €238,000

Attendance fees: €593,364.82

Total fees for Board members as such: €831,364.82

Executive Directors arising from their executive functions in the Company:

Fixed remuneration: €731,815

Short-term variable compensation: €412,198.35 (Corresponds to evaluation of 2016 targets)

Other remuneration:

Board meeting attendance fees: €113,767

Remuneration in kind, life and accident insurance premiums

- Chief Executive Officer: €2,365.49

Following a proposal by the Appointments and Remuneration Committee and approval by the Board of Directors, the fixed remuneration of the Chief Executive Officer was adjusted in April 2017, the month in which Company salaries are usually adjusted, with an increase in fixed remuneration of 3% and an increase of 10% in the variable remuneration, to align remuneration with market levels for the position.

As indicated in the Board Regulations, it shall be the Board of Directors, at the proposal of the Appointments and Remuneration Committee, that must approve the remuneration policy for Directors, General Managers and other senior management levels reporting to the Board, Executive Committees and Chief Executive Officers, as well as the individual remuneration and other contractual conditions for the Executive Directors and for ensuring they are observed, in addition to regularly reviewing the remuneration policy to confirm it is appropriate and provides the desired results and ensuring the transparency of the remuneration.

D BREAKDOWN OF INDIVIDUAL REMUNERATION ACCRUED BY EACH BOARD MEMBER

Name	Type	2017 accrual period
CARINA SZPILKA LAZARO	Independent	From 01/01/2017 to 12/31/2017
FERNANDO DORNELLAS SILVA	Independent	From 1/1/2016 to 12/31/2016
JUAN ARENA DE LA MORA	Independent	From 1/1/2017 to 12/31/2017
ALFREDO PASTOR BODMER	Other External Director	From 1/1/2017 to 12/31/2017
GABRIEL ESCARRER JULIA	Proprietary	From 1/1/2017 to 12/31/2017
SEBASTIAN ESCARRER JAUME	Proprietary	From 1/1/2017 to 12/31/2017 From 1/1/2016 to 12/31/2016
GABRIEL JUAN ESCARRER JAUME	Executive	From 1/1/2017 to 12/31/2017
FRANCISCO JAVIER CAMPO GARCIA	Independent	From 1/1/2017 to 12/31/2017
LUIS MARIA DIAZ DE BUSTAMANTE TERMINEL	Independent	From 1/1/2017 to 12/31/2017
HTLES. MALLORQU. CONSOLIDADOS,S.L.	Proprietary	From 1/1/2017 to 12/31/2017
JUAN VIVES CERDA	Proprietary	From 1/1/2017 to 12/31/2017

D.1 Complete the following tables on the individual remuneration of each of the directors (including remuneration for carrying out executive functions) accrued during the year.

a) Remuneration accrued in the reporting Company:

i) Remuneration in cash (in thousands of euros)

Name	Salaries	Fixed compensation	Travel expenses	Variable compensation Short-term	Variable compensation Long-term	Attendance fees other Board Committees	Termination benefits	Other items	Total 2017	Total 2016
FERNANDO DORNELLAS SILVA	0	22	98	0	0	0	0	0	120	99
FRANCISCO JAVIER CAMPO GARCIA	0	22	57	0	0	0	0	0	79	72
GABRIEL ESCARRER JULIA	0	22	27	0	0	0	0	0	49	300
HOTELES. MALLORQU. CONSOLIDADOS,S.L.	0	22	47	0	0	0	0	0	69	72
JUAN VIVES CERDA	0	22	48	0	0	0	0	0	70	64
JUAN ARENA DE LA MORA	0	22	48	0	0	0	0	0	70	73
LUIS MARIA DIAZ DE BUSTAMANTE TERMINEL.	0	22	83	0	0	0	0	0	105	102
GABRIEL JUAN ESCARRER JAUME	732	22	27	412	0	0	0	0	1195	1136
SEBASTIAN ESCARRER JAUME	0	22	38	0	0	0	0	0	60	54
ALFREDO PASTOR BODMER	0	22	59	0	0	0	0	0	81	72
CARINA SZPILKA LAZARO	0	22	59	0	0	0	0	0	81	57

ii) Share-based employee benefits

GABRIEL JUAN ESCARRER JAUME												
Not applicable												
Implementation date	Ownership options at the beginning of 2017						Options acquired in 2017.					
	# Options	Options affected	Exercise price (€)	Exercise period			# Options	Options affected	Exercise price (€)	Exercise period		
	0			Not applicable						Not applicable		
Conditions: Not applicable												
Options acquired in 2016.			Options exercised in 2017.				Options matured	Options at 2017 year end				
# shares	Price	Amount	Exercise price	# Options	Options affected	Gross profit (m€)	# Options	# Options	Options affected	Exercise price	Exercise period	
0	0.00	0	0.00	0	0	0	0	0	0	0.00	Not applicable	
Other requirements during the year: Not applicable												

iii) Describe long-term savings schemes

Name	Contribution to the year by the Company		Amount of accumulated	
	2017	2016	2017	2016
GABRIEL JUAN ESCARRER JAUME	0	0	0	0

iv) Other benefits (thousand €)

GABRIEL JUAN ESCARRER JAUME			
Remuneration in the form of advances and loans granted			
Transaction interest rate		Essential characteristics of the transaction	Amounts finally returned
0.00		Not applicable	Not applicable
Life insurance		Guarantees issued by the Company in favor of directors	
Year 2017	Year 2016	2017	2016
2	2	Not applicable	Not applicable

b) Remuneration accrued by Company board members arising from their membership on other Group Boards:

i) Remuneration in cash (in thousands of euros)

Name	Salaries	Fixed compensation	Travel expenses	Variable compensation Short-term	Variable compensation Long-term	Attendance fees other Board Committ	Termination benefits	Other items	Total 2017	Total 2016
GABRIEL JUAN ESCARRER JAUME	0	0	114	0	0	0	0	0	114	116

ii) Share-based employee benefits

GABRIEL ESCARRER JULIA Not applicable												
Implementation date	Ownership options at the beginning of 2016						Options acquired in 2017.					
	# Options	Options affected	Exercise price (€)	Exercise period			# Options	Options affected	Exercise price (€)	Exercise period		
01/01/2017	0			Not applicable						Not applicable		
Conditions: Not applicable												
Options acquired in 2017.			Options exercised in 2017.				Options matured	Options at 2017 year end				
# shares	Price	Amount	Exercise price	# Options	Options affected	Gross profit (m€)	# Options	# Options	Options affected	Exercise price	Exercise period	
0	0.00	0	0.00	0	0	0	0	0	0	0.00	Not applicable	
The requirements during the year: Not applicable												

iii) Describe long-term savings schemes

Name	Contribution to the year by the Company		Amount of accumulated	
	2017	2016	2017	2016
GABRIEL JUAN ESCARRER JAUME	0	0	0	0

iv) Other benefits (thousand €)

GABRIEL JUAN ESCARRER JAUME			
Remuneration in the form of advances and loans granted			
Transaction interest rate		Essential characteristics of the transaction	Amounts finally returned
0.00		Not applicable	Not applicable
Life insurance		Guarantees issued by the Company in favor of directors	
Year 2017	Year 2016	2017	2016
2	2	Not applicable	Not applicable

c) Summary of remuneration (in thousand €)

This should include the amounts corresponding to all remuneration concepts accrued by the board member included herein, in thousands of euros.

Contributions made or amounts granted for long-term Savings Plans:

Name	Remuneration accrued in the				Remuneration accrued in Group				Totals		
	Total compensation paid in cash	Amount of shares granted	Gross profit options exercised	Total 2017 company	Total compensation paid in cash	Amount of shares granted	Gross profit Options exercised	Total 2017 Group	Total 2017	Total 2016	Contribution to savings schemes during the
ALFREDO PASTOR BODMER	81	0	0	81	0	0	0	0	81	72	0
CARINA SZPILKA LAZARO	81	0	0	81	0	0	0	0	81	57	0
FERNANDO DORNELLAS SILVA	120	0	0	120	0	0	0	0	120	99	0
FRANCISCO JAVIER CAMPO GARCIA	79	0	0	79	0	0	0	0	79	72	0
GABRIEL ESCARRER JULIA	49	0	0	49	0	0	0	0	49	300	0
HOTELES. MALLORQU. CONSOLIDADOS,	69	0	0	69	0	0	0	0	69	72	0
JUAN VIVES CERDA	70	0	0	70	0	0	0	0	70	64	0
JUAN ARENA DE LA MORA	70	0	0	70	0	0	0	0	70	73	0
LUIS MARIA DIAZ DE BUSTAMANTE	105	0	0	105	0	0	0	0	105	102	0
SEBASTIAN ESCARRER JAUME	60	0	0	60	0	0	0	0	60	57	0
GABRIEL JUAN ESCARRER JAUME	1,195	0	0	1,195	114	0	0	114	1,309	1,252	
TOTAL	1,979	0	0	1,979	114	0	0	114	2,093	2220	0

- D.2 Give information on the relationship between the remuneration received by the directors and the earnings or other performance indicators of the entity, explaining, where appropriate, how variations in the company's performance may have influenced the variation in directors' remunerations.

In the year ended December 31, 2017 only Gabriel Escarrer Jaume, the Chief Executive Officer, received variable remuneration linked to the performance of the Company.

As already indicated, the evaluation of these objectives, both financial and non-financial, is based on a performance scale defined by the Appointments and Remuneration Committee. Both the financial results for 2017 and the non-financial objectives to which the variable remuneration is linked have achieved the estimates used to determine the targets, so that the level of variable remuneration for 2016, paid in 2017, has reached 116%.

Payment of the variable remuneration is made after a prudent interval after the end of the year, following approval by the Board at the proposal of the Appointments and Remuneration Committee

- D.3 Give information on the outcome of the consultative vote of the annual general meeting on the annual remuneration report of the previous year, indicating the number of votes cast against, if any:

	Number	% of total
Total votes	199,916,571	87.65%

	Number	% of total
Votes against	60,060,548	30.04%
Votes in favor	139,854,951	69.96%
Abstentions	1,072	0.00%

E OTHER INFORMATION OF INTEREST

Relevant aspects of director remuneration not reflected in the above sections of this report, yet considered necessary for inclusion so as to provide more comprehensive and reasoned information on the Company's remuneration structure, and its practices with regard to compensating its directors.

There are no additional relevant aspects apart from the abovementioned

In Section D.1 a) 1, remuneration in kind for the Chief Executive Officer in the form of a life insurance policy has been reported under "Other items." As this heading is not included in Section D.1.c) this remuneration in kind has been added under the heading of "Total remuneration in cash." It should be noted that in error this item was not reported on the 2016 IARC, and the information omitted in the previous period has now been included in this report.

This remuneration report was approved by the Company's Board of Directors at its meeting held on 03/23/2018.

Indicate whether any directors voted against or abstained from voting on the approval of this Report.

Yes

No