

# 2021 Annual Report on the Remuneration of Directors

28 February 2022

## A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

*A.1.1 Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete. Such specific determinations for the current year as the Board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.*

*In any case, the following aspects must be reported, as a minimum:*

*Description of the procedures and corporate bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.*

The Remuneration Policy applicable to 2022 is the Remuneration Policy for years 2022 to 2024 (hereinafter, the “**Remuneration Policy**” or the “**Policy**”) which was approved by the General Shareholders' Meeting of Meliá Hotels International, S.A. (hereinafter, the “**Company**”) on 10 June 2021.

The procedure used to design the Remuneration Policy was detailed in the report approved by the Board of Directors and submitted to the shareholders for approval at the relevant General Shareholders' Meeting. The procedure is outlined below.

In accordance with Article 529(r) of the Spanish Corporate Enterprises Act, the Appointments, Remuneration and Corporate Social Responsibility Committee (hereinafter the “**Committee**” or the “**Appointments, Remuneration and CSR Committee**”), previously considering the impact of the social and economic framework derived from COVID-19 and the Law amending the Corporate Enterprises Act and other financial regulations regarding the promotion of the long-term involvement of shareholders in listed companies, prepared a specific report on the Remuneration Policy that, in turn, was submitted to the Board of Directors.

The Board of Directors analysed and discussed the report as well as the proposed changes for the 2022-2024 period with respect to the previous Policy.

In particular, the Board positively assessed the continuity of the Remuneration Policy criteria implemented in the previous three-year period (2019-2021), in line with best practices and recommendations on remuneration and corporate government. In this sense, the new recommendations of the Good Governance Code of Listed Companies of the CNMV applicable in terms of remuneration were considered.

The Policy remains true to the principles of moderation, prudence and long-term value generation which guided the previous Policy, ensuring at all times that internal equity is maintained and external competitiveness is improved. In addition, it is worth mentioning that for its preparation the following principles were considered:

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- To promote profitability, business strategy and the interest and long-term sustainability of the Company and, at the same time, adopt the necessary measures to avoid excessive risk-taking and compensation of unfavourable results.
- To implement a remuneration scheme in line with dedication and responsibilities assumed by Directors as well as with market conditions (taking into account similar sectors and companies), in order to attract and retain the most suitable profiles to cover the knowledge, skills and experience required in the Board, ensuring that there are candidates suitable to hold office.
- To motivate and reinforce the achievement of results of the Company and the Group.
- To promote transparency and commitment to provide information to shareholders and investors.
- To include the applicable principles governing the Policy in the remuneration policy applicable to the other employees within the Group (schemes tailored to dedication and responsibility, long-term results, talent retention, etc.).

Upon calling for the 2021 General Shareholders' Meeting, the Board of Directors made available the mandatory report and the Remuneration Policy, which was approved by the General Shareholders' Meeting with 162,397,180 votes in favour (i.e. 98.47% of the attending voting rights).

The Remuneration Policy was prepared in accordance with the regulations applicable to the Company: Corporate Enterprises Act, Company Bylaws and Regulations of the Board of Directors. In particular, Article 37 of the Company Bylaws states that the remuneration of Directors in their capacity as such shall consist of an annual global salary for all Directors with a maximum amount to be approved by the General Shareholders' Meeting, which shall apply for as long as no modifications are made. This shall be without prejudice to any other fees or considerations that may be receivable from the Company based on a contractual relationship other than their position as Directors, to be governed by the applicable regulatory framework.

In general terms, the duties of the Appointments, Remuneration and CSR Committee concerning this process are the following, pursuant to Article 39(b) of the Company Bylaws and Article 15 of the Regulations of the Board of Directors:

- To propose to the Board the Remuneration Policy applicable to Directors, General Managers and any individuals performing top management duties under direct supervision by the Board, Executive Committees or Chief Executive Officers, as well as the individual remuneration and other contractual terms and conditions applicable to Executive Directors, ensuring compliance with such Policy.
- To conduct periodic reviews of the Remuneration Policy, assessing its adequacy and performance. In particular, to conduct periodic reviews concerning the assessment of the objectives or parameters involved in the remuneration schemes applicable to the executive director and top management positions.

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- To ensure transparency in payments and inclusion of information concerning Directors' remuneration into the Annual Report on the Remuneration of Directors and the Corporate Governance Annual Report, submitting the Annual Report on the Remuneration of Directors to the Board for approval.

### Remuneration of Directors in their capacity as such

The remuneration of Directors in their capacity as such is composed of (i) a fixed annual salary, and (ii) fees for attendance at the meetings of the Company's Board of Directors and the Committees to which each Director belongs. This remuneration item also comprises the extraordinary tasks performed by those Directors assuming the functions of Chairman of each Committee or Board Secretary.

Thus, the individual remuneration payable to each Director as such, within the limits defined by the maximum amount approved by the General Shareholders' Meeting, is determined by the Board of Directors at the proposal of the Appointments, Remuneration and CSR Committee based on the functions and responsibilities assumed by each Director, their participation in Specialised Committees and their position in the same (member, Chairman, etc.), and other relevant objective and subjective circumstances (see "*Amount and nature of fixed components that are due to be accrued during the year by Directors in their capacity as such*"), as well as on the analysis of remuneration data of similar companies from external expert consultants conducted by the Human Resources Department.

### Executive Director Remuneration

The Chief Executive Officer is the only director currently undertaking managing tasks and receives additional amounts in consideration for the performance of such functions under the Services Agreement signed with the Company. These amounts include: (i) a fixed remuneration component; (ii) a short-term variable remuneration component; (iii) a long-term variable remuneration component; (iv) a remuneration in kind and other benefits; and (v) a remuneration for the position of administrator in other Group companies.

Pursuant to the Corporate Enterprises Act, the Company Bylaws and the Regulations of the Board of Directors, the Appointments, Remuneration and CSR Committee submits to the Board of Directors its proposal for the determination and/or modification of the Executive Director's remuneration, taking into account the remuneration analyses of similar companies from external consultants experts in this field, as well as the reports and proposals prepared by the Departments of Compensation (Human Resources), Sustainability, Finance and Corporate Governance of the Company.

On a yearly basis, the Committee reviews the degree of achievement of the CEO's objectives in order to determine the amounts to be paid as variable remuneration (including short-term and long-term items, where applicable) and then reports to the Board of Directors.

In the current year (2022), such review (of objectives and the -potential- increase in fixed remuneration) was carried out by the Appointments, Remuneration and CSR

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Committee at the meetings held on 10 and 25 February 2022. The details, amount and methodology used for its determination will be explained throughout this Report.

Due to the suspension of the long-term remuneration scheme for 2021, the Committee has not assessed the objectives associated with this type of remuneration.

Regarding the salary review for 2022, at the date of issue of this Report, the Committee has proposed to not increase the fixed remuneration paid to the Chief Executive Officer.

*Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.*

For the preparation of the Remuneration Policy for 2022-2024, the preliminary analyses of remuneration data of similar companies conducted by the Company's Compensation Department (Human Resources), taken from different remuneration studies carried out by consultancy firms specialising in top management and directors' remuneration (Korn Ferry, Mercer, etc.), have been considered.

*Information on whether any external advisors took part in this process and, if so, their identity.*

With regard to the participation of external advisors, the Committee and the Corporate Governance and Human Resources departments received consultancy services from a firm specialising in the field (Cuatrecasas) when preparing the Remuneration Policy. In particular, the impact of the new regime established by the Corporate Enterprises Act and the improvements to be included in the new policy with regard to trends and best practices were analysed in detail.

*Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.*

The new Remuneration Policy for 2022 to 2024 expressly provides for a section regarding the application of temporary exceptions.

In particular, it is established that the Board of Directors, prior substantiated proposal by the Appointments, Remuneration and CSR Committee, may apply temporary exceptions to the remuneration scheme established in the Policy, according to the following terms and conditions:

- The application of this exception regime shall be duly justified on the grounds of exceptionality and necessity, always in view of the long-term interests of the Company and the Group and the sustainability and feasibility thereof.
- The Company must inform the market as soon as possible of the application of this exceptional regime, whether through publication of Inside Information / Other Relevant Information on the CNMV website, or through annual reports (ACGR and ARRD), as appropriate.
- The Board of Directors may agree the suspension, cancellation (total or partial), extension, replacement or temporary amendment of the following components of the remuneration scheme:
  - Fixed annual remuneration of Directors in their capacity as such.

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- Fixed annual remuneration of Executive Directors.
- Short- and long-term variable remuneration, including parameters, objectives, assessment system, target amount, etc.
- Remuneration in kind and other benefits.

*A.1.2 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.*

Under the 2022-2024 Remuneration Policy, variable remuneration only applies to Directors performing executive duties, so that the CEO is currently the only director whose remuneration scheme includes short-term and long-term variable remuneration components.

Concerning the short-term variable remuneration component, it is defined as a percentage of fixed remuneration, which is intended to promote performance and the achievement of yearly objectives (both at individual and Group level), taking into consideration long-term goals as well as the main risks faced by the Group.

Currently, such percentage is SIXTY PERCENT (60%) of annual fixed remuneration.

The Board of Directors annually determines and assesses achievement level of short-term variable remuneration at the proposal of the Appointments, Remuneration and CSR Committee, which generally sets such objectives during the first quarter of the year.

The long-term variable component is determined during the first year applicable to the variable remuneration cycle, i.e., for 2022 to 2024 cycle, the objectives, achievement levels and parameters will be determined during the first quarter of the current year.

This remuneration system is intended to strike a balance between fixed and variable components, so that the fixed component represents a sufficiently large part of total remuneration, while variable items ensure that the personal performance of the Director is sustainable and aligned with risks, ensuring that variable remuneration accrual and collection parameters are determined in a very strict manner in both cases. Variable remuneration compliance percentages and caps are described in sections 6.3.2 and 6.3.3 of the Policy, as detailed below (see "Amount and nature of variable components").

When determining the Executive Director's remuneration scheme in the proposal submitted to the Board of Directors, the Appointments, Remuneration and CSR

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Committee analysed several market salary studies for similar positions in companies of a similar type and capital level, using data from internationally reputed consultancy firms and from public sources (including the CNMV's annual reports on remuneration).

The Committee takes into consideration the Company's Risk Map when setting the objectives linked to short-term and long-term variable remuneration, in order to define specific objectives aimed at mitigating risks.

In particular, during the objective and parameter setting procedure linked to the short-term variable remuneration scheme for 2021 and 2022, the Committee paid special attention to the risk of pandemic and the social and economic situation caused by COVID-19 and its impact on the Company.

As concerns the actions adopted by the Company in relation to variable remuneration items in order to reduce excessive risk exposure, it must be noted that the Chairman of the Auditing and Compliance Committee (which has statutory supervisory responsibilities concerning the risk management system) and the Chairman of the Appointments, Remuneration and CSR Committee are both members of the two Committees. Their cross-membership in these two Committees is helpful in assessing the risks involved in the variable remuneration system when defining the system and also in order to determine the relevant factors in terms of compliance, accrual and payment.

The remuneration packages of the CEO and the Company's management team, whose performance can have an impact on the realisation of the risks identified in the Risk Map, comprise variable components linked to short-term and/or long-term objectives as defined in the Strategic Plan. The responsibilities assigned to these staff categories also include specific risk management functions, such as adopting the necessary measures to identify the main risks and reporting them to the Auditing and Compliance Committee via the appropriate channels. In the given circumstances, during 2020 and 2021, the remuneration schemes of the CEO and the management team have been affected by the situation of the Company.

Additionally, in line with good governance principles, and according to section 6.6 of the new Remuneration Policy, short-term and long-term variable remuneration is paid following a reasonable period after the end of the last financial year considered for evaluation purposes, with payments being made within the 60 calendar days following the issuance of the annual accounts for that year, always provided that the accounts have been reviewed by the external auditors and upon proposal by the Appointments, Remuneration and Corporate Social Responsibility Committee.

With regard to the measures envisaged to prevent conflicts of interest, in addition to the statutory provisions applicable to Directors (among others, Article 229 of the Spanish Corporate Enterprises Act), the Directors, the management team and all employees within the Group are subject to certain internal regulations specifically governing potential conflicts of interest and resolution procedures:

- Code of Ethics: Establishing that directors and managers must be a role model of leadership for their teams, acting in an exemplary manner when facing conflicts and complex situations.

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- Internal Code of Conduct: Document applicable to all persons who may have access to stock market information by reason of their position or functions.
- Human Resources Regulations: Specifically, governing obligations with respect to conflicts of interests and the use of confidential and inside information.
- Executive Behaviour Regulations: Document regulating potential conflicts of interests that may arise in the Company.

*Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.*

According to the provisions of the Remuneration Policy for 2022 to 2024 and in line with good governance principles, short-term variable remuneration is paid following a reasonable period after the end of the financial year, with payment being made within the 60 calendar days following the issuance of the annual accounts, upon approval of the Board at the proposal by the Appointments, Remuneration and CSR Committee.

Regarding multi-year variable remuneration (long term), the payment also occurs following a reasonable period after the end of the last financial year of the Strategic Plan, and is made within the 60 calendar days following the issuance of the annual accounts for that year, upon approval of the Board of Directors at the proposal by the Committee.

Likewise, annual fixed remuneration accrues at month end, so that the remuneration earned by each Director is proportional to the time such Director has been in office during that year.

In accordance with the Remuneration Policy in force, the Company may introduce remuneration systems referenced to the Company's stock quotes or involving payment in shares or option rights over shares. However, the Company is not planning to introduce these systems as of today. It must also be noted that the General Shareholders' Meeting held on 10 July 2020 renewed the authorisation of the Board of Directors to acquire treasury shares, expressly including the following power: *“For the purposes of Article 146 of the Corporate Enterprises Act, the shares acquired under this authorisation, as well as those already held by the Company, may be delivered in whole or part, either directly or via the exercise of option rights over shares, to the employees or directors of the Company and/or its Group.”*

As regards clawback clauses, i.e. provisions requiring a Director to return already received amounts, and reduction clauses (malus), both the Remuneration Policy and the CEO's Services Agreement include such clauses, allowing the Company to cancel (totally or partially) the payment of short- and long-term variable remuneration (malus clauses) or claim the reimbursement of remuneration amounts already paid (clawback clauses) under special circumstances.

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These circumstances include fraud, serious breach of law or internal regulations, sanctions or convictions for acts attributable to the Executive Director, as well as in the case of material restatement of the financial statements based on which the Board assessed the degree of performance, provided that such restatement is confirmed by the external auditors and is not a consequence of an amendment to an accounting regulation.

The proportion of the amounts to be retained or recovered will be determined by the Board of Directors, following review by the Appointments, Remuneration and CSR Committee and, where appropriate, the Auditing and Compliance Committee, in view of the particular circumstances that resulted in the claim.

Both malus and clawback clauses will be applied to the variable remuneration for the year in which the event leading to the application of the clause occurred. Clawback clauses will remain in effect for the next THREE (3) years.

However, if the above circumstances result in a dismissal due to serious or negligent breach of the duties of the Executive Director, malus clauses may be applied to the total variable remuneration accrued and pending payment at the date on which the dismissal decision is adopted, depending on the damage caused.

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***A.1.3 Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.***

The fixed remuneration of Directors in their capacity as such consists of two components:

- A fixed annual salary in the amount of TWENTY-ONE THOUSAND SIX HUNDRED AND THIRTY-SIX EUROS AND FORTY-FOUR CENTS (€ 21,636.44) for each director for the current year.
- Attendance fees for the Board of Directors and Committee meetings they have actually attended in the following amounts for the current year:
  - FIVE THOUSAND FOUR HUNDRED AND NINE EUROS AND ELEVEN CENTS (€ 5,409.11) for each Board meeting.
  - THREE THOUSAND EUROS (€ 3,000) for each meeting of a Committee of which the director is a member.
  - The Chairman of the Appointments, Remuneration and Corporate Social Responsibility Committee and the Chairman of the Auditing and Compliance Committee additionally receive THREE THOUSAND EUROS (€ 3,000) for each meeting.
  - The Secretary of the Board of Directors additionally receives SIX THOUSAND EUROS (€ 6,000) for each Board meeting.

***A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.***

In addition to the above, the CEO's remuneration package includes a fixed annual amount as a consideration for the executive duties performed under his Services Agreement. At the date of issuance of this Report (28 February 2022), the CEO receives a fixed gross annual remuneration of SEVEN HUNDRED AND SIXTY-ONE THOUSAND EIGHTY-EIGHT EUROS AND SIX CENTS (761,088.06 €). This is equivalent to the amount agreed in the CEO's Services Agreement.

At the date of issuance of this report, no increase in fixed remuneration compared to the previous year (2021) has been agreed.

***A.1.5 Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.***

- **Medical Insurance:** Pursuant to the Remuneration Policy in force and the CEO's Services Agreement, the CEO has private medical insurance covering himself and his family for a yearly premium of SIX THOUSAND SEVENTY-SEVEN EUROS AND FORTY CENTS (€ 6,077.40).
- **Life and Accident Insurance:** The CEO also has life and accident insurance for a yearly premium of ONE THOUSAND NINE HUNDRED AND FORTY-NINE EUROS AND

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NINETEEN CENTS (€ 1,949.19) with the following coverage:

- € 650,000 in the event of death for any cause;
- € 650,000 in the event of disability for any cause;
- € 650,000 in the event of death by accident.

Likewise, the Executive Director has the right to the reimbursement of any reasonable expenses (travel, maintenance, mobile phone, representation and any other type of expense) incurred in the discharge of his duties for the Company, provided that these expenses are duly justified.

*A.1.6 Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.*

As regards the parameters of the CEO's short-term variable remuneration scheme for the current year (2022), the Appointments, Remuneration and CSR Committee, at its meeting held on 25 February 2022, has proposed to the Board of Directors the following scheme, giving continuity to short-term remuneration scheme applied in 2021:

The main objective set is to achieve certain EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) by the end of 2022. To this end, the Group's EBITDA without capital gains will be considered, and since this is a main objective, it will represent 60% of total variable remuneration. This objective is of a financial nature.

Likewise, and with a lower percentage, the following objectives are set for the same year:

**\*Execution of corporate transactions** under the “asset light” management model of the Company. This objective represents 20% of total variable remuneration and is of a financial nature. It relates to the company's performance and the long-term strategy with respect to the management model.

**\*Measures to adapt the Group's financial structure**, which the Committee will assess and measure based on the proposals made and approved by the Board and adopted by the Company to reduce the debt ratio and protect the equity in its consolidated balance sheet. This objective represents 5% of total variable remuneration and is of a financial nature.

**\*Growth**, an objective based on the net increase of rooms signed in 2022. This

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objective represents 5% of total variable remuneration and is of a non-financial nature.

\*ESG objective. Goal based on the Company's position in the sustainability indexes internationally recognised. This objective represents 5% of total variable remuneration and is of a non-financial nature.

Talent retention. This objective represents 5% of total variable remuneration and is of a non-financial nature.

Considering the weight of each objective, the maximum percentage to be received as short-term variable remuneration would be 143, and the minimum 0%. In this sense, the maximum amount to be received will be SIX HUNDRED AND FIFTY-THREE THOUSAND THIRTEEN EUROS AND FIFTY-SIX CENTS (€ 653,013.56).

According to the above, the short-term variable remuneration scheme of the CEO is in accord with the Remuneration Policy.

Regarding long-term variable remuneration, the indicators, goals, amounts and contents of the Multi-Year Plan (2022 - 2024) shall be prepared by the Committee and submitted to the Board of Directors during the first half of 2022. However, the long-term remuneration scheme shall have a duration of three years (taking into consideration that the new Policy provides for a duration between 2 and 4 years), following the recommendations from the proxy advisors during the vote on the new Policy at the General Shareholders' Meeting.

Moreover, to the extent that such remuneration is referenced to stock quotes, this part shall be submitted to the relevant General Shareholders' Meeting for approval in compliance with Article 219 of CEA and Article 37.2 of the Company Bylaws.

*Indicate the range, in monetary terms, of the different variable components according to the degree of achievement of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.*

Considering the weight of each of the objectives of short-term variable remuneration, the maximum amount of each of them depending on the possible scales of achievement is indicated below:

**Objective regarding the Company's EBITDA:** this objective represents 60% and scales of achievement that range from 0% to 150%, therefore, the maximum amount to be received is FOUR HUNDRED AND TEN THOUSAND NINE HUNDRED AND EIGHTY-SEVEN AND FIFTY-FIVE CENTS (€ 410,987.55).

**\*Execution of corporate transactions** under the "asset light" management model of the Company. This objective represents 20% of total variable remuneration and has scales of achievement that range from 0% to 150%, therefore, the maximum amount to be received is ONE HUNDRED AND THIRTY-SIX THOUSAND NINE HUNDRED AND NINETY-FIVE AND EIGHTY-FIVE CENTS (€ 136,995.85).

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**\*Measures to adapt the Group's financial structure.** This objective represents 5% of total variable remuneration and has scales of achievement that range from 0% to 130%, therefore, the maximum amount to be received is TWENTY-NINE THOUSAND SIX HUNDRED AND EIGHTY-TWO EUROS AND FORTY-THREE CENTS (€ 29,682.43).

**\*Growth.** This objective represents 5% of total variable remuneration and has scales of achievement that range from 0% to 130%, therefore, the maximum amount to be received is TWENTY-NINE THOUSAND SIX HUNDRED AND EIGHTY-TWO EUROS AND FORTY-THREE CENTS (€ 29,682.43).

**\*ESG objective.** This objective represents 5% of total variable remuneration and has scales of achievement that range from 0% to 100%, therefore, the maximum amount to be received is TWENTY-TWO THOUSAND EIGHT HUNDRED AND THIRTY-TWO EUROS AND SIXTY-FOUR CENTS (€ 22,832.64).

**\*Talent retention objective.** This objective represents 5% of total variable remuneration and has scales of achievement that range from 0% to 100%, therefore, the maximum amount to be received is TWENTY-TWO THOUSAND EIGHT HUNDRED AND THIRTY-TWO EUROS AND SIXTY-FOUR CENTS (€22,832.64).

Regarding long-term variable remuneration, as indicated above, at the date of issue of this report, objectives and goals for 2022-2024 cycle or maximum amounts to be received have not been established.

*A.1.7 Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or compensation for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.*

*Also indicate whether the accrual or vesting of any of the long-term saving plans is conditioned upon the achievement of certain objectives or parameters relating to the director's short-term and long-term performance.*

Pursuant to the Remuneration Policy, the Executive Director benefits from a social welfare plan organised via contributions to a group life insurance scheme excluding pension commitments, due to the commercial nature of his relationship with the Company. In any case, the accrual or vesting of social welfare plan rights is not conditioned upon the achievement of any objectives or parameters related to the Director's performance.

Its basic features are as follows:

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- Defined-contribution plan establishing a maximum annual contribution of 10% of his pensionable salary (equivalent to his fixed salary only and regardless of any reductions that may be approved during the year).
- The plan benefits are illiquid, so that they may only be received upon occurrence of any of the contingencies covered by the plan (retirement, disability or death).
- Retirement, disability and death benefits shall be equivalent to the accumulated balance in the insurance policy taken out and subject to the policy features and particularities.
- The beneficiaries of the Retirement Plan in the event of occurrence of any of the contingencies covered by the Plan shall be the CEO himself (in the event of retirement or disability) and the person designed in the beneficiary designation form, in the event of death of the insured. If no beneficiary is expressly designed, the following order of precedence shall apply by exclusion: the insured's spouse, otherwise his children, otherwise his parents, and otherwise his legal heirs.
- In the event of removal from office for causes other than those covered by the retirement plan, the CEO shall have no rights on the Accumulated Balance.

In the current year, plan contributions are not expected to rise with respect to the previous year.

***A.1.8 Any type of payment or compensation for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.***

The CEO is the only director having signed a commercial agreement for the provision of services which governs the aforesaid items.

As regards compensations, this Services Agreement provides for compensation to the CEO if any of the following events occur:

- Unilateral termination by the Executive Director: due to (material and negligent) breach by the Company of its obligations under the agreement, or by reason of a material modification in the functions, powers, or terms and conditions of the services provided by the Executive Director due to causes not attributable to the Executive Director.
- Unilateral termination by the Company: other than as a result of a material and negligent breach by the Executive Director of his obligations to perform his duties with loyalty, diligence, good faith or any other legally binding requirement applicable to the exercise of his duties.

As regards the amount, and according to recommendation 64 of the Good Governance Code of Listed Companies of the CNMV, the Service Agreement provides for a compensation equal to the sum of the two following items:

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- One year of the CEO's total annual fixed remuneration set for the current year.
- Short-term variable remuneration - the amount to be included shall be equal to the percentage of the part of the fixed remuneration set for the current year already accrued on the date on which the agreement is terminated.

Compensation will be paid within thirty (30) days from the date on which the Agreement is terminated, provided that the Company has verified that the CEO meets the criteria or conditions established to receive the compensation.

Furthermore, the CEO's Services Agreement includes a non-competition provision in the terms described in the following section of this Report.

*A.1.9 Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of compensation, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.*

Pursuant to Article 249 of the Spanish Corporate Enterprises Act, the CEO signed a commercial agreement for the provision of services with the Company dated 27 November 2015. This Agreement was modified on 18 June 2019 to include new terms and conditions governing the clawback provision, social welfare plans and the protection of personal data, following the approval of the new General Data Protection Regulation, as well as to update fixed and variable remuneration amounts.

Additionally, several contractual amendments have been signed during 2020 and 2021 in order to provide for the fixed remuneration reductions approved in these years, as well as the inclusion of certain amendments as a result of the application of the new Remuneration Policy for 2022 to 2024 (i.e. malus clause).

This Agreement outlines his obligations and functions as Executive Director for the Company, detailing his remuneration for the performance of these functions.

The non-competition and exclusivity covenants included in the Agreement and referred to in this Section comply with the Remuneration Policy and are as follows:

Exclusivity: The CEO may not perform any other work, commercial or professional activity without the Company's consent.

Non-competition: The CEO may not directly or indirectly perform any professional activity or service involving actual, present, or potential competition with the Company or its Group.

There is also a non-competition after termination covenant applicable for one year,

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whereby the Company agrees to compensate the Director with one year's total remuneration based on the remuneration received by the Executive Director in his capacity as such at the time of termination. Should the Director breach his non-competition after termination covenant, he will reimburse to the Company all amounts received in relation thereto and compensate the Company in an amount equivalent to 150% of the same amount.

As regards duration, the agreement is for an indefinite term which is subject to the exercise of the position as Chief Executive Officer for the Company.

Regarding the notice periods, the agreement establishes that in the case of voluntary resignation by the Director, at least, a three-month notice period must be given.

***A.1.10 The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.***

There is currently no supplementary amount or remuneration expected to accrue to Directors as a consideration for services other than those derived from their position for the current year.

***A.1.11 Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.***

No advances, loans, or guarantees have been granted by the Company to the members of the Board of Directors.

***A.1.12 The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.***

No supplementary amounts or remuneration beyond those included in the sections above are currently expected to accrue.

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**A.2** *Explain any significant change in the remuneration policy applicable in the current year resulting from:*

*(a) A new policy or an amendment to a policy already approved by the General Meeting.*

*(b) Significant changes in the specific determinations established by the Board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.*

*(c) Proposals that the Board of Directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.*

The Remuneration Policy applicable to the current year (2022) is the Remuneration Policy approved by the General Shareholders' Meeting on 10 June 2021, applicable to the 2022-2024 three-year period.

In compliance with the principles of the previous Policy, the Appointments, Remuneration and CSR Committee, as well as the Board of Directors, prepared the proposal for the Directors' Remuneration Policy for 2022, 2023 and 2024, which is in line with the particular conditions of the Company and the common remuneration practices of the market for similar listed companies, and is based on the moderation, prudence and long-term value creation principles, ensuring the maintenance of internal equity and improvement of external competitiveness.

The Committee modified certain aspects of the Policy applicable for 2019 to 2021, for the purposes of achieving a better alignment with the interests of the Company's shareholders and investors, the proxy advisor's requirements and the best practices of corporate governance at a national and international level.

In particular, the recent developments in the remuneration field, i.e., the reform of the Good Governance Code of Listed Companies of the CNMV and the Law amending the Corporate Enterprises Act and other financial regulations regarding the promotion of the long-term involvement of shareholders in listed companies, as well as the impact of the social and economic framework as a result of COVID-19, led the Committee and the Board of Directors to introduce some amendments compared to the previous Policy.

It is worth mentioning that, for the preparation of the said Policy, the Board of Directors and the Committee were limited by the lack of long-term visibility, the existing uncertainty as a result of the social and economic situation derived from the pandemic / COVID-19 and the pandemic itself, as well as the fact that the business depends on the legislative and mobility measures adopted from time to time.

For this reason and in order to have a transparent Policy and care for the interests of shareholders and investors, the minimum term of long-term variable remuneration for Executive Directors was reduced and the Company's management bodies were provided with certain flexibility in the setting of the variable remuneration scheme for Executive Directors as regards the definition of parameters and objectives.

No modification of the Remuneration Policy is expected in the current year.

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However, as explained above, the indicators, goals, amounts and contents of the CEO's long-term variable remuneration shall be prepared by the Appointments, Remuneration and CSR Committee and submitted to the Board of Directors after the date of this Report.

Moreover, to the extent that such remuneration is referenced to stock quotes, such plan shall be submitted to the General Shareholders' Meeting for approval in compliance with Article 219 of the CEA and Article 37.2 of the Company Bylaws (*maximum number of shares that may be assigned to this remuneration system during each year, strike price or method used to calculate the strike price of options over shares, value of the shares that may be taken as reference and duration of the plan*).

**A.3** *Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.*

<https://www.meliahotelsinternational.com/es/shareholdersAndInvestors/ShareholdersDocs/2021/Politica%20Remuneraciones%202022-2024.pdf>

**A.4** *Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.*

On 10 June 2021, the General Shareholders' Meeting approved with 99.49% of votes in favour the 2020 Annual Report on the Remuneration of Directors, which had been previously approved by the Board of Directors on 25 February 2021. This high percentage is indicative of the support given by shareholders to the Remuneration Policy.

	General Meeting 2019	General Meeting 2020	General Meeting 2021
<b>% Approval ARR</b>	97.28%	99.84%	99.48%

In preparing this Annual Remuneration Report, the recommendations provided by the proxy advisors (especially Glass Lewis and ISS) in their reports submitted to the 2020 General Shareholders' Meeting were studied and taken into consideration.

## **B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED**

**B.1.1** *Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, where appropriate, the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.*

The Remuneration Policy of the Board applicable during 2021 was approved by the General Shareholders' Meeting on 6 June 2018 and was later modified by the General Shareholders' Meeting on 18 June 2019.

In line with previous years, its implementation entails an analysis and proposal process by the Appointments, Remuneration and CSR Committee to the Board of Directors for approval.

In particular, in order to determine individual remuneration, special focus was given to directors' attendance at the meetings of the Board of Directors and the Committees to which they belong, as well as the special position as Chairman or Secretary of the Board or any of the Specialised Committees.

These factors determined the final amount paid to each Director, within the maximum limits defined by the General Shareholders' Meeting in the approved Remuneration Policy.

Fixed remuneration of the Chief Executive Officer, given the social and economic context, has not been reviewed in 2021.

Thus, in the first half of 2021 (from January to May 2021), at the proposal of the Chief Executive Officer and the Appointments, Remuneration and CSR Committee, the 25% reduction in fixed remuneration of the CEO, whose implementation began in 2020, was extended.

Moreover, in line with this salary reduction and expense-cutting measure, the members of the Board's Specialised Committees also continued in the first half of the year with a 50% reduction in their fees for attendance at the Committees' meetings.

The pay cut measures described above were duly disclosed by the Company through a "Other Relevant Information" notice sent to the CNMV.

As concerns the participation of external advisors, the Appointments, Remuneration and CSR Committee and the Corporate Governance and Human Resources departments received consultancy services from Cuatrecasas in respect of the formal execution of pay cut measures, especially with regard to their fitting into the Remuneration Policy.

Additionally, the Compensation team (Human Resources area) and the Corporate Governance team have attended numerous webinars and events regarding remunerations in the context of COVID-19.

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***B.1.2 Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.***

As explained in the Annual Report on Remuneration for 2020, from the date on which the pandemic was declared until the current date, the Company has applied different measures regarding the reduction and adaptation of the remuneration of the members of the Board (and the employees).

In particular, albeit not expressly provided for in the Remuneration Policy for 2021, the following measures that can be considered as an exception to the ordinary remuneration scheme were applied:

- Reduction in fees for attendance at the meetings of the Board's specialised Committees (50% reduction during the first half of 2021).
- Reduction in fixed remuneration of the Chief Executive Officer (25% reduction during the first half of 2021 - from January to May 2021).
- Suspension of the Chief Executive Officer's long-term variable remuneration for 2021.
- Delay in the setting of the Chief Executive Officer's short-term variable remuneration for 2021.

In general, the Committee and the Board were limited by the lack of long-term visibility, as well as the existing uncertainty as a result of the social and economic situation derived from the pandemic / COVID-19.

In any event, it is worth mentioning that the Company has informed about all the measures adopted in terms of remuneration through notices sent to the CNMV, with such measures being adopted following the procedure laid down in the Remuneration Policy for this year, except for:

- Reduction in fixed remuneration of the Chief Executive Officer.
- Reduction in fees for attendance at the Committees' meetings.

Both measures were proposed by the Appointments, Remuneration and CSR Committee to the Board prior proposal by the interested parties, i.e., the Chief Executive Officer himself and the members of the Committees, respectively.

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**B.1.3** *Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.*

According to that indicated in the 2020 Annual Report on Remunerations, the only measure adopted by the Company in terms of remuneration which may be considered as a temporary exception to the Remuneration Policy for 2019 to 2021, would be the suspension of the short- and long-term variable remuneration scheme of the CEO for 2020 and 2021 (in 2021 only the long-term variable remuneration), since such suspension is not expressly provided for in the Remuneration Policy.

In this sense, it is worth mentioning that the measure was adopted at the proposal of the CEO himself in the social and economic context derived from the declaration of the state of emergency due to COVID19 and from the effects that this has had on the Company. Both the Committee and the Board of Directors consider that such measures (in addition to the reductions in remuneration of directors that have been informed to the CNMV and in the ACGR for 2020) were adopted precisely to serve the interests of shareholders and ensure the Company's viability and sustainability in the short and the long term. It is worth mentioning that in the adoption of such measures, labour and remuneration measures that were applied to the Group's employees (reduction in working hours and remuneration, Temporary Lay-Offs, etc.), were also taken into account.

Finally, regarding the quantification of the impact of the implementation of the measure (suspension of variable remuneration, and partial reduction in fixed remuneration), this can be calculated considering the amounts received in years prior to the pandemic:

- Theoretical amount of short-term variable remuneration: considering that the percentage applied in the last three years was 60% of fixed remuneration, and that the maximum percentage was 139%, the total amount would be SIX HUNDRED AND FORTY-THREE THOUSAND EIGHT HUNDRED AND SIX EUROS (€ 643,806). Such amount was not accrued in 2020, as mentioned in the Annual Report on Remuneration for the said year.
- Regarding long-term remuneration, if we consider the last three-year period to which this scheme was applied (years 2016 to 2018, since 2019 was considered as a grace period - ordinary year), as well as the calculation formula, i.e., the maximum theoretical amount corresponded to 180% of the CEO's fixed remuneration, and if we consider that it has been suspended in the last two years (2020 and 2021), the total theoretical amount would be NINE HUNDRED AND THIRTEEN THOUSAND THREE HUNDRED AND TWENTY-FIVE EUROS AND SIXTY-EIGHT CENTS (€ 913,325.68).

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**B.2** *Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.*

As explained in Section A.1, the main actions intended to reduce risk in the remuneration systems are based on the following:

On the one hand, the allocation of responsibilities and functions between the two Specialised Committees of the Board. To this respect, as explained above, one of the functions of the Auditing and Compliance Committee is to oversee the efficacy of the Company's internal control procedures, internal audit services, and risk management systems, including tax risk management; whereas the Appointments, Remuneration and CSR Committee is in charge of defining and monitoring compliance with the Remuneration Policy of the Board and the Company's management team.

Additionally, the cross-membership of Mr. Fernando D'Ornellas (External Independent Director and Coordinating Director) and Mr. Francisco Javier Campo (External Independent Director) in these two Committees helps to better evaluate the risks involved in the variable remuneration system, both when defining the system and when submitting it to the Board of Directors.

It must also be noted that the incorporation of the clawback provision into the CEO's remuneration system serves as a mitigating factor, since it provides the Company with a tool to recover all or part of the variable remuneration amounts paid to the CEO in any of the following events:

- When it is evidenced that the calculation and payment of variable remuneration was, totally or partially, based on information manifestly incorrect or inaccurate.
- In the case of material restatement of the financial statements based on which the Board assessed the degree of performance, provided that such restatement is confirmed by the external auditors and is not a consequence of an amendment to an accounting regulation.
- If the director is found in breach of the Code of Ethics and/or other applicable internal regulation.

On the other hand, the objectives associated with the CEO's variable remuneration include references to the Company's Risk Map, with a view to setting specific objectives aimed at mitigating risks.

Below is an outline of the different measures adopted by the Committee, the Board and the Directors themselves relating to the remuneration system during the year 2021:

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- The Vice Chairman and Chief Executive Officer, as well as the SET and the Company's top management voluntarily decided to continue to reduce their fixed remuneration by 25% during the first half of 2021 (from January to May 2021).
- Along the same line, the remuneration of Board members for their presence at Committees (attendance fees) was reduced by 50% in the first half of 2021.
- Additionally, the CEO's long-term remuneration scheme for the year 2021 was suspended.

All the foregoing is in line with what was explained in section A above.

**B.3** *Explain how the remuneration accrued and consolidated over the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance. Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration the payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.*

Both the remuneration of directors in their capacity as such and the remuneration of the Executive Director comply with the Board's Remuneration Policy applicable during the 2021 financial year.

In principle, the remuneration structure applicable to Directors in their capacity as such has no variable components associated with the Company's global performance, but consists of the following:

- A fixed annual salary for each Director.
- Attendance fees for each meeting of the Board of Directors and the Committees to which each Director belongs.
- Additional attendance fees for the Chairmen of any of the Committees and the Secretary of the Board of Directors.

The remuneration of Directors in their capacity as such is based on the individual performance and dedication of each Director, their respective responsibilities and the tasks assigned to them at the Committees.

Notwithstanding the foregoing, due to the situation that the Company (and the society as a whole) is currently undergoing, the remuneration scheme of Directors in their capacity as such has also been affected by the variations in the Company's performance. Thus, as it has been explained above, the remuneration received by Directors in their capacity as such (especially their fees for attendance at the Committees) has been reduced compared to previous years. All this within the framework of the Remuneration Policy currently in force and, especially, based on

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principles of prudence and long-term value creation.

The CEO's (short-term and long-term) variable remuneration package for 2021, as indicated above and as reported to market entities via Inside Information notices or Other Relevant Information notices, has been modified as follows:

- Long-term variable remuneration has been suspended for 2021.
- Short-term variable remuneration was set by the Board of Directors on 25 October 2021.

Regarding variable remuneration based on the sustainable long-term performance of the company, as it will be explained in section B.7 of the Report, the main (key) objective of the short-term remuneration scheme of the Chief Executive Officer was set precisely to ensure the Company's viability and profitability. In this sense, variable remuneration schemes of other qualifying employees were set taking into account the same objective (positive EBIDTA), in line with the objectives of the Chief Executive Officer, thus reinforcing the main objective of the Company.

**B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:**

	Number	% of total
Votes cast	164,924,172	74.887%

	Number	% of votes cast
Votes against	491,316	0.298%
Votes in favour	164,082,556	99.490%
Abstentions	350,300	0.212%

**B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.**

The General Shareholders' Meeting held on 6 June 2018 approved a modification of the total remuneration cap for Directors in their capacity as such, setting it at ONE MILLION TWO HUNDRED THOUSAND EUROS (€ 1,200,000). This cap will continue to apply until the General Shareholders' Meeting agrees to modify it.

Fixed remuneration components accrued during the 2021 financial year were determined pursuant to the Remuneration Policy applicable in 2021, based on the items described in Section B.3 above:

- A fixed annual salary in the amount of TWENTY-ONE THOUSAND SIX HUNDRED AND THIRTY-SIX EUROS AND FORTY-FOUR CENTS (€ 21,636.44) for each Director.

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Since the Board is made up of ELEVEN (11) Directors<sup>1</sup>, the total amount paid under this heading was TWO HUNDRED AND THIRTY-TWO THOUSAND FIVE HUNDRED AND NINETY-ONE EUROS AND SEVENTY-TWO CENTS (€ 232,591.72).

- Attendance fees for each meeting of the Board of Directors and the Committees to which each Director belongs.
- FIVE THOUSAND FOUR HUNDRED AND NINE EUROS AND ELEVEN CENTS (€ 5,409.11) for each Director for each Board meeting.

With a total of SIX (6) in-person meetings of the Board and based on the attendance of each Director, the total amount paid as Board attendance fees was TWO HUNDRED AND SEVENTY-FIVE THOUSAND EIGHT HUNDRED AND SIXTY-FOUR EUROS AND SIXTY-ONE CENTS (€ 275,864.61). This amount has remained unaffected despite the holding of telematic meetings.

- THREE THOUSAND EUROS (€ 3,000) for attending each meeting of the Board's Committees. However, this amount has been reduced by 50%, as noted above, during the first half of 2021.

During 2021, a total of EIGHT (8) meetings of the Appointments, Remuneration and CSR Committee and ELEVEN (11) meetings of the Auditing and Compliance Committee were held. Based on each Director's attendance at these meetings, the total amount paid as attendance fees for the Committees was TWO HUNDRED AND FORTY-NINE THOUSAND FOUR HUNDRED AND NINE EUROS AND THIRTY-TWO CENTS (€ 249,409.32), of which the amount of ONE HUNDRED AND SIXTY-SIX THOUSAND NINE HUNDRED AND NINE EUROS AND THIRTY-TWO CENTS (€ 166,909.32) relates to attendance at the meetings of the Auditing and Compliance Committee, and EIGHTY-TWO THOUSAND FIVE HUNDRED EUROS (€ 82,500) relates to attendance at the meetings of the Appointments, Remuneration and Corporate Social Responsibility Committee.

The Chairman of the Appointments, Remuneration and Corporate Social Responsibility Committee and the Chairman of the Auditing and Compliance Committee additionally receive THREE THOUSAND EUROS (€ 3,000) for each Committee meeting. These amounts have also been reduced by 50% during the first half of 2021.

Based on the attendance of the Chairmen at their Committee meetings and in accordance to the pay reduction measures applied during the reporting period, the amount accrued under this heading was SIXTEEN THOUSAND FIVE HUNDRED EUROS (€ 16,500) for the Chairman of the Appointments, Remuneration and Corporate Social Responsibility Committee and TWENTY-FOUR THOUSAND EUROS (€ 24,000.00) for the Chairman of the Auditing and Compliance Committee.

The Secretary of the Board of Directors also earns SIX THOUSAND EUROS (€ 6,000) for each Board meeting he attends. This amount does not accrue in sessions held in written form without a meeting. Based on attendance at all the meetings of the Board, the amount accrued under this heading is THIRTY-SIX THOUSAND EUROS (€ 36,000.00).

<sup>1</sup> The Board of Directors is made up of ELEVEN (11) directors. However, a total of THIRTEEN (13) directors sat on the Board during 2021.

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Thus, there has been no variation in the remuneration scheme of fixed components in 2021, apart from the modification (reduction) of fees for attendance at the Committees' meetings.

Variations with respect to the previous year (2020) are due to differences in the number of Committee meetings (two less for the Auditing and Compliance Committee) and, above all, to the impact of the said attendance fee reduction measures.

Resulting from the above, remuneration under this heading has not reached the maximum available amount (€ 1,200,000) in the year ended.

***B.6 Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.***

The salary accrued to the Company's Executive Director in the 2021 financial year amounts to SIX HUNDRED AND NINETY-THREE THOUSAND SIX HUNDRED AND SEVENTEEN EUROS AND EIGHTY-THREE CENTS (€ 693,617.83).

This amount reflects the reductions proposed by the CEO as part of the measures taken in the context of the COVID-19 crisis.

In particular, the Chief Executive Officer voluntarily decided to continue to reduce his fixed remuneration by 25% during the first half of 2021 (from January to May).

The initial amount of SEVEN HUNDRED AND SIXTY-ONE THOUSAND EIGHTY-EIGHT EUROS AND SIX CENTS (€ 761,088.06) was set by the Appointments, Remuneration and CSR Committee after analysing several market salary studies for similar positions in companies of a similar type and capital level, using data from internationally reputed consultancy firms and from public sources (including the CNMV's report on Remuneration Reports).

As regards variations with respect to the previous year (2020), as noted above, the reduction in the amount accrued in 2021 compared to the amount accrued in the previous year mainly resulted from the pay reduction and expense-cutting measures approved by the Company in the face of the circumstances and particular context of the year. To this respect, the difference between the salary accrued in 2020 and the salary accrued in 2021 was ONE HUNDRED AND FIFTEEN THOUSAND TWO HUNDRED AND EIGHTY EUROS AND TWENTY-SEVEN CENTS (€ 115,280.27), that is, the salary accrued in 2021 was 19.93% more than in the previous year. Such difference is mainly due to the remuneration reduction measures adopted in 2021.

***B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.***

*In particular:*

- a) *Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended,*

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*including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.*

- b) *In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.*

Not applicable.

- c) *Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).*

As mentioned in this report, the only member of the Board of Directors who receives variable remuneration is the Chief Executive Officer, Mr. Gabriel Escarrer Jaume.

- d) *Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.*

#### *Explain the short-term variable components of the remuneration systems*

Only the Chief Executive Officer has variable components within his remuneration scheme, as mentioned in the Remuneration Policy for 2021. This variable remuneration has a short-term remuneration plan (annual) and a long-term remuneration plan (triennial).

Short-term variable remuneration items are set as a percentage of fixed remuneration. In this sense, in 2021, this percentage was 60%, i.e., FOUR HUNDRED AND FIFTY-SIX THOUSAND SIX HUNDRED AND FIFTY-TWO EUROS AND EIGHTY-FOUR CENTS (€ 456,652.84) (hereinafter, the “Target Amount”). It should be clarified that the said percentage is fixed on the theoretical fixed remuneration and, therefore, is not affected by the reductions in fixed remuneration that were adopted in 2021.

This Target Amount involves a minimum theoretical collection amount of 0% and a maximum of 100%. In this sense, it is worth mentioning that this maximum collection amount was set as an exceptional measure in respect of previous years.

According to the above, the maximum theoretical amount of short-term variable

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remuneration for 2021 would be FOUR HUNDRED AND FIFTY-SIX THOUSAND SIX HUNDRED AND FIFTY TWO EUROS AND EIGHTY-FOUR CENTS (€ 456.652,84), and the minimum, ZERO EUROS (€ 0).

For their determination and calculation of the final amount, different objectives that are linked to the Company's most critical results and annual goals previously determined by the Appointments, Remuneration and CSR Committee are weighted. For the determination of variable remuneration of the Chief Executive Officer and the final level of achievement, the same criteria established for the executives of the Company's senior management are followed.

Every year, the Board of Directors proceeds with the approval of the objectives of the Chief Executive Officer for the current year and the determination of the final level of achievement thereof for the year ended, prior submission of the said objectives by the Appointments, Remuneration and CSR Committee in the first quarter of the year.

The short-term variable remuneration model of the Chief Executive Officer is aligned with the model applied by the Company to other people who have short-term variable remuneration, and the said model includes, for the year ended, annual indicators and goals linked to:

1. Comply with the annual economic goals previously established.
2. Mitigate the risk identified as most relevant for the Company.
3. Individual performance as top executive.
4. Company's Growth Model.

The levels of achievement of such objectives are divided into two groups:

- 1) Economic objectives (EBITDA and Debt Ratio), in which maximum achievement is 100% and minimum achievement is 0%, with a scale that links the collection percentage to the achievement percentage. The assessment of these objectives is based on the achievement of annual goals (budget) which are defined separately in each objective, using the actual carrying amount at year end as a reference for achievement. This type of objectives has measurable goals and results; therefore, the percentage of achievement is the result of dividing the actual amount by the budgeted amount.
- 2) Non-economic objectives (resulting from the appraisal by the Board of the Chief Executive Officer and the number of Growth Projects signed and in force during the year of accrual), which have a maximum achievement of 100% and a minimum of 0%.

These objectives are assessed based on a performance scale defined by the Appointments, Remuneration and Corporate Social Responsibility Committee. Each level of achievement consists of attaining a series of milestones, considering that in order to attain the highest level of achievement, the previous milestones must have been fulfilled.

The variable remuneration model for the executives of the company, including the Executive Directors, is reviewed annually by the Appointments, Remuneration and CSR Committee, adjusting indicators and objectives depending on the Group's priorities.

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In line with good governance principles, short-term variable remuneration is paid following a reasonable period after the end of the financial year, with payment being made within the 60 calendar days following the issue of the annual accounts, provided that they are audited and upon agreement by the Appointments, Remuneration and CSR Committee.

In accordance with the provisions of the Remuneration Policy, the Company may introduce remuneration systems referenced to the Company's stock quotes or involving payment in shares or option rights over shares. However, the Company is not planning to introduce this system into the remuneration scheme as of today.

At the date of this Report (February 2022), the Appointments, Remuneration and CSR Committee has carried out an evaluation of the objectives set for short-term variable remuneration of the Chief Executive Officer, with the following levels having been approved:

**Key objective:** Main objective for the purpose of achieving certain positive EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) at the end of 2021. To this end, the Group's EBITDA without capital gains is considered, and since it is a main objective, consists of 70% of total variable remuneration.

**Assessment:** The key objective has been fully met (100% achieved). In order to measure achievement of this objective, the results for 2021 prepared by the Group Companies department have been considered. In order to review achievement of this objective, the Committee was supported by Ms Pilar Dols, Chief Financial Officer of the Group.

**Accrued amount:** THREE HUNDRED AND NINETEEN THOUSAND SIX HUNDRED AND SIXTY-SEVEN EUROS (€ 319,667).

Since the "key" objective has been achieved, the Committee has assessed the remaining objectives set, namely:

**Execution of corporate transactions** under the "asset light" management model of the Company. This objective represents 10% of total variable remuneration and the Committee considers that it has been 100% achieved. Its assessment was based on the execution of measures and alternatives proposed to the Board of Directors to increase liquidity and reduce the Group's debt, all this within the framework of the Company's road map in terms of its management model ("asset light"). In order to review the achievement of this objective, the Committee was also supported by Ms Pilar Dols, Chief Financial Officer of the Group.

**Accrued amount:** FORTY-FIVE THOUSAND SIX HUNDRED AND SIXTY-FIVE EUROS AND TWENTY-EIGHT CENTS (€ 45,665.28).

**Measures to adapt the Group's financial structure.** This objective represents 10% of total variable remuneration and the Committee considers that it has been 100% achieved. Its assessment was based on the proposals, measures and alternatives proposed by the Chief Executive Officer to the Board of Directors, whose objective was

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to reduce the debt ratio and protect the Group's equity. The Committee has considered that the Chief Executive Officer has correctly executed the agreed financial sustainability measures and, therefore, he has met this objective. In order to review the achievement of this objective, the Committee was also supported by Ms Pilar Dols, Chief Financial Officer of the Group.

Accrued amount: FORTY-FIVE THOUSAND SIX HUNDRED AND SIXTY-FIVE EUROS AND TWENTY-EIGHT CENTS (€ 45,665.28).

**\*Growth:** this objective is based on the number of rooms signed in 2021 (number of growth projects or contracts that imply more room management by the Group). This objective represents 10% of total variable remuneration and the Committee considers that it has been 100% achieved.

Accrued amount: FORTY-FIVE THOUSAND SIX HUNDRED AND SIXTY-FIVE EUROS AND TWENTY-EIGHT CENTS (€ 45,665.28).

According to the weight of each of the objectives, as well as their level of achievement, the total achievement percentage amounts to 100%.

As a whole, the amount to be paid to the Chief Executive Officer for short-term variable remuneration accrued in 2021, amounts to FOUR HUNDRED AND FIFTY-SIX THOUSAND SIX HUNDRED AND SIXTY-TWO EUROS AND EIGHTY-FOUR CENTS (€ 456,662.84), which will be paid in cash in April 2022 (in a lump sum), a month in which the Company pays variable remuneration according to the mentioned good governance principles.

In relation to short-term variable remuneration paid to the Chief Executive Officer in 2021, no short-term variable remuneration amount has accrued to (or vested in) the CEO during 2020. There is therefore no other aspect to be explained in respect thereof (parameters, accrual, criteria, etc.).

### *Explain the long-term variable components of the remuneration systems*

As indicated above, no long-term variable amount accrued to the CEO during 2021, as his long-term variable remuneration scheme for 2021 was definitively suspended.

***B.8. Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe any amounts that were reduced or clawed back pursuant to malus or clawback provisions, why these were enforced and the corresponding financial year.***

According to what was explained above, and in line with the Recommendations of the Good Governance Code of Listed Companies, the CEO's Services Agreement was modified in 2019 to incorporate a reimbursement or reduction mechanism (clawback) with respect to variable remuneration. This also implied a modification of the

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Remuneration Policy that was approved by the General Shareholders' Meeting on 18 June 2019.

In addition, in 2021, the Remuneration Policy for 2022 to 2024 was approved, which already provided for the inclusion of the malus clause in the Services Agreement of the Chief Executive Officer, leading to the amendment thereof on 25 November 2021 to include, among other things, the said malus clause. In this sense, the malus clause entered into force on 1 January 2022.

The Company did not reduce or claim the reimbursement of any amounts with respect to the CEO's variable remuneration during the 2021 financial year. All of the foregoing is without prejudice to the functions attributed to the Appointments, Remuneration and Corporate Social Responsibility Committee in relation to this matter, and considering the fact that the valid period to claim a reduction or reimbursement of any amount under the clawback provision is THREE (3) years from the date of payment or settlement.

***B.9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of compensation for early termination or cessation of the contractual relationship between the company and the director.***

A Social Welfare Plan was incorporated into the CEO's remuneration scheme in accordance with the Remuneration Policy for 2021, which includes the following characteristics:

- Defined-contribution plan establishing a maximum annual contribution of 10% of his pensionable salary (equivalent to his fixed salary only and without taking into account the pay cuts agreed during the year for purposes of calculating the said 10%).
- The plan benefits are illiquid, so that they may only be received upon occurrence of any of the contingencies covered by the Plan (retirement, disability or death).
- Retirement, disability and death benefits shall be equivalent to the accumulated balance in the insurance policy taken out and subject to the policy features and particularities.
- The beneficiaries of the Retirement Plan in the event of occurrence of any of the contingencies covered by the Plan shall be the CEO himself (in the event of retirement or disability) and the person designed in the beneficiary designation form, in the event of death of the insured. If no beneficiary is expressly designed, the following order of precedence shall apply by exclusion: the insured's spouse, otherwise his children, otherwise his parents, and otherwise his legal heirs.
- In the event of removal from office for causes other than those covered by the retirement plan, the CEO shall have no rights on the accumulated balance.

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During 2021, contributions to this Plan amounted to SEVENTY-SIX THOUSAND ONE HUNDRED AND EIGHT EUROS AND EIGHTY CENTS (€ 76,108.80).

**B.10** *Explain, where applicable, the compensation or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.*

N/A

**B.11** *Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.*

The CEO's Services Agreement was modified in 2021, as in 2020, in order to adapt it to the reductions in fixed remuneration and the suspension of variable remuneration agreed by the Appointments, Remuneration and CSR Committee and upon request of the CEO himself.

In addition, following the approval of the new Remuneration Policy for 2022 to 2024, the Board of Directors at its meeting held on 25 November 2021, approved a new amendment to the Services Agreement of the CEO in order to include the following:

- Inclusion of a malus clause as a control mechanism for variable remuneration, according to recommendation 59 of the Good Governance Code of Listed Companies of the CNMV.
- Technical improvements in the calculation of the compensation for dismissal of the CEO, according to the new recommendation 64 of the Good Governance Code of Listed Companies of the CNMV.
- Approval of a consolidated text to include the last amendments made through the addenda signed in 2020 and 2021.

**B.12** *Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.*

N/A

**B.13** *Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.*

No advances, loans, or guarantees have been granted by the Company to the members of the Board of Directors.

**B.14** *Itemise the remuneration in kind accrued by the directors during the year, briefly*

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*explaining the nature of the various salary components.*

During the 2021 financial year, and in accordance with the remuneration scheme described throughout this Report, the only Director receiving remuneration in kind was the CEO:

**Private Medical Insurance:** The CEO has private medical insurance covering himself and his family for an annual premium of FIVE THOUSAND EIGHT HUNDRED AND NINETY-NINE EUROS AND NINETY-EIGHT CENTS (€ 5,899.98).

**Life and Accident Insurance:** The CEO also has life and accident insurance for a yearly premium of THREE THOUSAND TWO HUNDRED AND EIGHTEEN EUROS AND TWENTY-TWO CENTS (€ 3,218.22), including the following coverage:

- € 650,000 in the event of death for any cause
- € 650,000 in the event of disability for any cause
- € 650,000 in the event of death by accident

**B.15** *Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.*

N/A

**B.16** *Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director for his/her status as such or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other items" heading in Section C.*

In addition to the amounts and remuneration items described above, the CEO has received fees in the amount of ONE HUNDRED AND THREE THOUSAND NINE HUNDRED AND FIFTY-TWO EUROS AND NINETY-NINE CENTS (€ 103,952.99) for belonging to the board of directors of the following Group companies:

- FORTY-SIX THOUSAND SEVEN HUNDRED AND FORTY-EIGHT EUROS AND EIGHTY-ONE CENTS (€ 46,748.81) per year from the German company Sol Melia Deutschland GmbH.
- THIRTY-FIVE THOUSAND SIX HUNDRED AND SIXTY-EIGHT EUROS AND THIRTY-FOUR CENTS (€ 35,668.34) per year (equivalent to £ 30,671.89) from the English company Lomondo Limited; and

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- TWENTY-ONE THOUSAND FIVE HUNDRED AND THIRTY-FIVE EUROS AND EIGHTY-THREE CENTS (€ 21,535.83) per year from the French company Sol Melia France, S.A.S.

The remuneration received by the CEO under these headings has also been reduced during the year 2021 as a result of the pay cut measures described throughout this Report.

**C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR**

<i>Name</i>	<i>Type</i>	<i>Period of accrual in year 2021</i>
Mr Gabriel Escarrer Juliá	Proprietary Director	From 01.01.2021 to 31.12.2021
Mr Gabriel Escarrer Jaume	Executive Director	From 01.01.2021 to 31.12.2021
Ms María Antonia Escarrer Jaume	Proprietary Director	From 10.06.2021 to 31.12.2021
Mr. Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)	Proprietary Director	From 01.01.2021 to 31.12.2021
Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	Proprietary Director	From 01.01.2021 to 31.12.2021
Mr. Luis María Díaz de Bustamante y Terminel	Independent Director	From 01.01.2021 to 31.12.2021
Mr. Fernando d'Ornellas Silva	Independent Director	From 01.01.2021 to 31.12.2021
Mr. Francisco Javier Campo García	Independent Director	From 01.01.2021 to 31.12.2021
Ms Carina Szpilka Lázaro	Independent Director	From 01.01.2021 to 31.12.2021
Ms Cristina Henríquez de Luna Basagoiti	Independent Director	From 01.01.2021 to 31.12.2021
Ms Cristina Aldámiz Echevarría González de Durana	Independent Director	From 28.07.2021 to 31.12.2021
Mr. Juan Arena de la Mora	Other External directors	From 01.01.2021 to 28.07.2021
Hoteles Mallorquines Consolidados, S.L.	External Proprietary Director	From 01.01.2021 to 10.06.2021

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**C.1** Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

**a) Remuneration from the reporting company:**

*i. Remuneration accruing in cash (thousands of euros)*

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total year 2021	Total year 2020
Mr Gabriel Escarrer Juliá	22	22							43	54
Mr Gabriel Escarrer Jaume	22	32		694	457			8	1205	632
Ms María Antonia Escarrer Jaume	12	25							37	0
Mr. Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)	22	32							54	54
Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	22	32							54	22
Mr. Luis María Díaz de Bustamante y Terminel	22	85							107	104
Mr. Fernando d'Ornellas Silva	22	89							111	110
Mr. Francisco Javier Campo García	22	97							119	107

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Ms Carina Szpilka Lázaro	22	73							95	83
Ms Cristina Henríquez de Luna Basagoiti	22	56							78	68
Ms Cristina Aldámiz Echevarría González de Durana	5	11							16	0
Mr. Juan Arena de la Mora	11	28							38	77
Hoteles Mallorquines Consolidados, S.L.	10	18							28	68
Mr. Sebastián Escarrer Jaume										11

<b>Remarks</b>
As a result of the legislative change introduced by the last reform of the Spanish Corporate Enterprises Act, Ms Maria Antonia Escarrer Jaume is no longer natural person representative of the company Hoteles Mallorquines Consolidados, S.L., therefore, the information has been provided distinguishing the individual who has become member as a natural person of the board of the company.

ii. *Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments*

N/A

iii. *Long-term savings schemes*

	<i>Remuneration from vesting of rights to savings schemes</i>

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Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2021	2020	2021	2020	2021	2020	2021	2020
Mr Gabriel Escarrer Jaume			76	76			228	152

Remarks

iv. Details of other items

Name	Item	Remuneration amount
Mr Gabriel Escarrer Jaume	Life insurance	2
Mr Gabriel Escarrer Jaume	Health insurance	6

Remarks

***b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies***

*i. Remuneration accruing in cash (thousands of euros)*

<i>Name</i>	<i>Fixed remuneration</i>	<i>Attendance fees</i>	<i>Remuneration for membership of board committees</i>	<i>Salary</i>	<i>Short-term variable remuneration</i>	<i>Long-term variable remuneration</i>	<i>Compensation</i>	<i>Other items</i>	<i>Total year 2021</i>	<i>Total year 2020</i>
Mr. Gabriel Escarrer Jaume		104							104	78

*ii. Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments*

*iii. Long-term savings schemes*

*iv. Details of other items*

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**c) Summary of remuneration (thousands of euros):**

*This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.*

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2021, company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2021, group	Total in year 2021, company + group
Mr Gabriel Escarrer Juliá	43				43						
Mr Gabriel Escarrer Jaume	1,205		76	8	1289	104					104
Ms María Antonia Escarrer Jaume	37				37						
Mr. Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)	54				54						
Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	54				54						
Mr. Luis María Díaz de Bustamante y Terminel	107				107						
Mr. Fernando	111				111						

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d'Ornellas Silva											
Mr. Francisco Javier Campo García	119				119						
Ms Carina Szpilka Lázaro	95				95						
Ms Cristina Henríquez de Luna Basagoiti	78				78						
Ms Cristina Aldámiz Echevarría González de Durana	16				16						
Mr. Juan Arena de la Mora	38				38						
Hoteles Mallorquines Consolidados, S.L.	28				28						
<b>TOTAL</b>	<b>1985</b>		<b>76</b>	<b>8</b>	<b>2069</b>	<b>104</b>					<b>104</b>

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**C.2** Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	<b>Total amounts accrued and % annual variation</b>								
	<b>Year 2021</b>	<b>% variation 2021/2020</b>	<b>Year 2020</b>	<b>% variation 2020/2019</b>	<b>Year 2019</b>	<b>% variation 2019/2018</b>	<b>Year 2018</b>	<b>% variation 2018/2017</b>	<b>Year 2017</b>
<b>Executive directors</b>	1392	75%	795	-70%	2615	84%	1418	8%	1309
<i>Mr Gabriel Escarrer Jaume</i>	1392	75%	795	-70%	2615	84%	1418	8%	1309
<b>External directors</b>	780	5%	744	12%	664	11%	597	4%	573
<i>Mr. Gabriel Escarrer Julia</i>	43	-20%	54	10%	49	0%	49	0%	49
<i>Mr. Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)</i>	54	0%	54	100%	27				
<i>Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)</i>	54	150%	22						
<i>Ms María Antonia Escarrer Jaume (Hoteles Mallorquines Consolidados, S.L.)</i>	65	-4%	68	-13%	78	8%	72	4%	69
<i>Mr. Luis María Díaz de Bustamante y Terminel</i>	107	3%	104	-9%	114	6%	108	3%	105
<i>Mr. Fernando d'Ornellas Silva</i>	111	1%	110	-17%	132	15%	115	-4%	120
<i>Mr. Francisco Javier Campo García</i>	119	11%	107	-5%	112	24%	90	14%	79
<i>Ms Carina Szpilka Lázaro</i>	95	15%	83	-2%	84	0%	84	4%	81
<i>Ms Cristina Henríquez de Luna Basagoiti</i>	78	16%	68	150%	27				
<i>Ms Cristina Aldámiz Echevarría González de Durana</i>	16								
<i>Mr. Juan Arena de la Mora</i>	38	-50%	77	13%	68	-14%	79	13%	70

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<b>Consolidated results of the company</b>	-217,391	-67%	-663,771	-525%	156,312	-16%	185,395	5%	176,048
<b>Average employee remuneration</b>	16	-2%	17	-7%	18	-4%	19	13%	16

**Remarks**

For the purposes of this section, the remuneration received by Ms Maria Antonia Escarrer Jaume as natural person in relation to that received by Hoteles Mallorquines Consolidados, S.L in the last few financial years has been taken into account. It is considered that this allows a better vision and comparability.

**D. OTHER INFORMATION OF INTEREST**

*If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.*

This annual remuneration report was approved by the Board of Directors of the company in its meeting of **28 February 2022**.

Indicate whether any director voted against or abstained from approving this report. **NO**.