

Annual Corporate Governance Report

Year 2022

MELIÀ HOTELS
INTERNATIONAL

Leisure at heart,
business in mind

Annual Corporate Governance Report

Year 2022

IDENTIFICATION DETAILS OF ISSUER

Ending date of reference period: 31/12/2022

Tax ID: A78304516

Company Name: MELIÁ HOTELS INTERNATIONAL, S.A.

Registered Office: GREMIO DE TONELEROS, 24, POL. IND. SON CASTELLÓ (PALMA DE MALLORCA) BALEARIC ISLANDS

PREAMBLE

This Annual Corporate Governance Report has been reported by the Auditing and Compliance Committee of Meliá Hotels International, S.A., and has been submitted to the Board of Directors for approval, in the context of the functions attributed according to the Regulations of the Board of Directors, and in compliance with the provisions of Article 540 of the Spanish Corporate Enterprises Act.

This Report, which was unanimously approved by the Board of Directors at its meeting held on 27 February 2023, will be put to the vote of the shareholders at the Ordinary General Shareholders' Meeting for 2022, as part of the item on the agenda regarding the approval of the annual accounts.

This Report has been prepared following the contents and guidelines of Circular 3/2021, of 28th September, of the CNMV, with the Company opting for the free-format model.

It is noted that all the documentation to which this Report refers (reports, Regulations of the Board of Directors, Director Selection and Diversity Policy, etc.) is available on the corporate website of Meliá Hotels International.

DEFINITIONS

CNMV: Comisión Nacional del Mercado de Valores [*Spanish National Securities Market Commission*]

Auditing and Compliance Committee: the Auditing and Compliance Committee of Meliá.

Appointments, Remuneration and Sustainability Committee: the Appointments, Remuneration and Sustainability Committee of Meliá.

Company or Meliá: the company Meliá Hotels International, S.A.

Chief Executive Officer or Executive Director: Mr Gabriel Escarrer Jaume, Executive Vice Chairman and Chief Executive Officer of Meliá.

Group: Meliá and all the subsidiaries thereof over which it holds, directly or indirectly, the control, according to the provisions of Article 42 of the Code of Commerce.

ACGR / Report: This Annual Corporate Governance Report.

CEA or Spanish Corporate Enterprises Act: Legislative Royal Decree 1/2010, of 2nd July, which approves the consolidated text of the Spanish Corporate Enterprises Act.

A. Ownership Structure

A.1 Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether Company Bylaws contain the provision of double loyalty voting:

NO

YES Date of approval by the Meeting: N/A

Minimum period of uninterrupted ownership required by the Bylaws: N/A

Indicate whether the Company has granted votes for loyalty:

YES

NO

Date of the last modification of the share capital	Share capital (euros)	Number of shares	Number of voting rights (not including additional loyalty-attributed votes)	Number of additional attributed voting rights corresponding to shares with a loyalty vote	Total number of voting rights, including additional loyalty-attributed votes
01/09/2020	44,080,000	220,400,000	220,400,000	N/A	220,400,000

Number of shares registered in the special registry book pending the expiry of the loyalty period: N/A

Remarks

Indicate whether there are different classes of shares with different rights attaching thereto:

YES

NO

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

Remarks

A.2 List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of shareholder	% of voting rights attributed to the shares (including votes for loyalty)		% of voting rights through financial instruments		% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Global Alpha Capital Management Ltd.		9.165%			9.165%		
Hoteles Mallorquines Asociados, S.L.	13.763%				13.763%		
Hoteles Mallorquines Agrupados S.L.	11.290%				11.290%		
Mr. Gabriel Escarrer Juliá		5.387%			5.387%		
Hoteles Mallorquines Consolidados, S.L.	24.365%				24.365%		
TOTAL					63.970%		

Remarks

Breakdown of the indirect shareholding:

Name or company name of the indirect shareholder	Name or company name of the direct shareholder	% of voting rights attributed to the shares (including votes for loyalty)	% of voting rights through financial instruments	% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote
Mr. Gabriel Escarrer Juliá	Tulipa Inversiones 2018, S.A.	5.387%		5.387%	

Remarks

Global Alpha Capital Management Ltd. is a discretionary asset manager based in Canada, which submitted the notification of significant shareholdings on behalf of various pooled funds and customer accounts of which Global Alpha Capital Management Ltd. has discretionary control of the voting rights. The shares of the pooled funds are held by several customers. Global Alpha Capital Management Ltd. does not hold shares on its own behalf.

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements

Global Alpha Capital Management Ltd. has increased its shareholding compared to the previous year (2021) from 5.118% to 9.165%.

Likewise, Hoteles Mallorquines Agrupados S.L. has increased its shareholding from 10.826% to 11.290%.

A.3 Give details of the participation at the close of the financial year of the members of the Board of Directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A.2 above:

Name or company name of the director	% of voting rights attributed to the shares (including votes for loyalty)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr. Gabriel Juan Escarrer Jaume	0.076%				0.076%		
Mr. Luis María Díaz de	0.00013%				0.00013%		

Bustamante y Terminel							
Mr. José María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	0.0329%				0.0329%		
Mr. Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)		0.0026%			0.0026%		
Ms María Montserrat Trapé Viladomat	0.0011%	0.005%			0.0066%		
Total					0.118%		

Total percentage of voting rights held by the members of the Board of Directors
--

30.558%

Remarks

According to the instructions, the voting rights held by the company Hoteles Mallorquines Consolidados, S.L., represented on the Board by the External Proprietary Director Mr. Luis María Díaz de Bustamante y Terminel, have not been included.

The shareholding indicated in this section for Hoteles Mallorquines Asociados, S.L., relates to the indirect shareholding of its natural person representative Mr. Alfredo Pastor Bodmer through his spouse.

The shareholding indicated in this section for Hoteles Mallorquines Agrupados, S.L. relates to the direct shareholding of its natural person representative Mr. José María Vázquez-Pena Pérez.

Breakdown of the indirect shareholding:

Name or corporate name of director	Name or company name of the direct shareholder	% of voting rights attributed to the shares (including votes for loyalty)	% of voting rights through financial instruments	% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to shares with a loyalty vote
Ms María Montserrat Trapé Viladomat	Ramón Adell Ramón	0.005%		0.005%	
Mr. Alfredo Pastor Bodmer	María del Carmen Olives	0.0026%		0.0026%	

Remarks

List the total percentage of voting rights represented on the Board:

total percentage of voting rights represented on the Board of Directors	54.923%
---	---------

Remarks
Mr. Luis María Díaz de Bustamante y Terminel is an External Proprietary Director appointed to represent the significant shareholder Hoteles Mallorquines Consolidados, S.L. This company is, in turn, a significant shareholder of the Company and owns 24.365% of the share capital of Meliá Hotels International, S.A., as mentioned in section A.2 of this report.

A.4 If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the Company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in Section A.6:

Name or company name of related party	Type of relationship	Brief description
Hoteles Mallorquines Agrupados S.L.	Corporate	As indicated in the Significant Event dated October 11, 2018 (registered with number 270438), the company Hoteles Mallorquines Agrupados, S.L., together with Hoteles Mallorquines Consolidados, S.L. and Hoteles Mallorquines Asociados, S.L., for the sole purpose of meeting its obligation to notify significant shareholding, notified the percentage of voting rights in Meliá Hotels International, i.e. 10.388%, resulting from its direct shareholding.

		<p>In such notice it was indicated that the shareholders owning 100% of the share capital in the mentioned companies continue to be the members of the Escarrer Family (Mr. Escarrer Juliá, his wife and their 6 children) and that there is no controlling shareholder in any of these companies, although, they have the same shareholders.</p> <p>Following the capital reduction agreed by the General Shareholders' Meeting on July 10, 2020, its total percentage of voting rights in Meliá's capital is 10.826%.</p> <p>In 2022, its shareholding has increased from 10.826% to 11.290%.</p>
Hoteles Mallorquines Asociados, S.L.	Corporate	<p>As indicated in the Significant Event dated October 11, 2018 (registered with number 270438), the company Hoteles Mallorquines Asociados, S.L., together with Hoteles Mallorquines Consolidados, S.L. and Hoteles Mallorquines Agrupados, S.L., for the sole purpose of meeting its obligation to notify significant shareholding, notified the percentage of voting rights in Meliá Hotels International, i.e. 13.206%, resulting from its direct shareholding.</p> <p>In such notice it was indicated that the shareholders owning 100% of the share capital in the mentioned companies continue to be the members of the Escarrer Family (Mr. Escarrer Juliá, his wife and their 6 children) and that there is no controlling shareholder in any of these companies, although, they have the same shareholders.</p> <p>Following the capital reduction agreed by the General Shareholders' Meeting on July 10, 2020, its total percentage of voting rights in Meliá's capital is 13.763%.</p>
Hoteles Mallorquines Consolidados, S.L.	Corporate	<p>As indicated in the Significant Event dated October 11, 2018 (registered with number 270438), the company Hoteles Mallorquines Consolidados, S.L., together with Hoteles Mallorquines Asociados, S.L. and Hoteles Mallorquines Agrupados, S.L., for the sole purpose of meeting its obligation to notify significant shareholding, notified the percentage of voting rights in Meliá Hotels International, i.e. 23.379%, resulting from its direct shareholding.</p> <p>In such notice it was indicated that the shareholders owning 100% of the share capital in the mentioned companies continue to be the members of the Escarrer Family (Mr. Escarrer Juliá, his wife and their 6 children) and that there is no controlling shareholder in any of these</p>

		<p>companies, although, they have the same shareholders.</p> <p>Following the capital reduction agreed by the General Shareholders' Meeting on July 10, 2020, its total percentage of voting rights in Meliá's capital is 24.365%.</p>
--	--	--

A.5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the Company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Type of relationship	Brief description

A.6 Unless insignificant for both parties, describe the relationships that exist between significant shareholders or shareholders represented on the Board and directors or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship / post
Mr. Gabriel Escarrer Juliá	Tulipa Inversiones 2018, S.A.	N/A	Mr. Gabriel Escarrer Juliá is the Founder of Meliá Group and also holds control of the company Tulipa Inversiones 2018, S.A.
Mr. Alfredo Pastor Bodmer	Hoteles Mallorquines Asociados, S.L.	N/A	Prior to his appointment as natural person representative, Mr. Alfredo Pastor Bodmer was External Independent Director and, subsequently, after 12 years, "Other" External Director.
Mr. Jose María Vázquez-Pena Pérez	Hoteles Mallorquines Agrupados S.L.	N/A	Mr. Jose María Vázquez-Pena Pérez is natural person representative of the proprietary director Hoteles Mallorquines Agrupados, S.L.
Mr. Luis María Díaz de Bustamante y Terminel	Hoteles Mallorquines Consolidados, S.L.	N/A	Mr. Luis María Díaz de Bustamante y Terminel was appointed to represent the significant shareholder Hoteles

			Mallorquines Consolidados, S.L., and previously he was an External Independent Director for almost 12 years.
--	--	--	--

Remarks

A.7 Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

YES NO

Parties to the shareholders' agreement	% of share capital concerned	Brief description of the agreement	Expiry date of the agreement, if any

Remarks
As described in the Significant Event dated 11/10/2018, Mr. Gabriel Escarrer Juliá, his wife and their 6 children, in their capacity as direct or indirect shareholders of the companies through which they hold interest in the share capital of Meliá, notified the CNMV and the Company that a shareholders' agreement was entered into, the purpose of which was to reinforce, on a temporary basis and after the death of Mr. Gabriel Escarrer Juliá and his spouse, the majority system to adopt certain resolutions by the General Shareholders' Meeting and the Board of Directors in commercial companies and which affect certain exceptional issues, with each of their signatories maintaining free vote and, therefore, without concertation on the management of the commercial companies or Meliá. The signatories consider that the Shareholders' Agreement does not have the status of an 'agreement subject to disclosure' pursuant to the Spanish Corporate Enterprises Act, and its registration with the Commercial Registry is not required, although, to ensure transparency, the signatories sent an extract of the Agreement to both Meliá and the CNMW.

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

YES NO

Parties to the concerted action	% of share capital concerned	Brief description of the concerted action	Expiry date of the concert, if any

Remarks
As described in the Significant Event dated October 11, 2018 (registration number 270439) and in the above remarks section, after the signing of the mentioned Shareholders' Agreement, there is no concertation on the management of the Commercial Companies or Meliá Hotels International.

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

--

A.8 Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

YES NO

Name or company name

Remarks

A.9 Complete the following tables with details of the Company's treasury shares:

At year end:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
334,014	-	0.15%

Remarks
Movements in treasure shares relate to the liquidity contract entered into with GVC Gaesco Beka Sociedad de Valores, S.A.

(*) Through:

Name or company name of the direct shareholder	Number of direct shares
Total:	

Remarks

Explain any significant changes during the year:

Explain significant changes

A.10 Provide a detailed description of the conditions and terms of the authority given by the General Shareholders' Meeting to the Board of Directors to issue, repurchase, or dispose of treasury shares.

<p>The General Shareholders' Meeting held on July 10, 2020, adopted, inter alia, the following resolution:</p> <p>"To expressly authorise the Board of Directors for the derivative acquisition and disposal of shares of the Company under the following terms and conditions:</p>

--

A.14 Indicate whether the company has issued shares that are not traded on a regulated EU market.

YES

NO

If so, indicate each share class and the rights and obligations conferred.

Indicate each share class

B. General Shareholders' Meeting

B.1 Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act (CEA) for General Shareholders' Meetings and the quorum set by the Company, and if so give details:

YES NO

	% quorum different from that established in Art. 193 of CEA for general matters	% quorum different from that established in Art. 194 of CEA for the special matters provided for in Art. 194 CEA
Quorum required at 1 st call	-	-
Quorum required at 2 nd call	-	-

Description of differences

B.2 Indicate whether there are any differences between the Company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act (CEA) and, if so, give details:

YES NO

Describe how it is different from the regime provided in the CEA.

	Qualified majority other than that set forth in Article 201.2 of CEA for matters referred to in Article 194.1 of CEA.	Other matters requiring a qualified majority
% established by the Company for the adoption of resolutions	0.00%	60.00%

Description of differences
According to Article 28.2 of the Company Bylaws, in order that the General Shareholders' Meeting may validly approve the change of the Company's corporate purpose, the request for delisting of the Company's shares, or the transformation or winding up of the Company, the vote in favour of SIXTY PERCENT (60%) of the share capital present or represented at the General Shareholders' Meeting will be required, both at first and second call.

Nevertheless, when, at second call, shareholders representing less than FIFTY PERCENT (50%) of the share capital with voting rights are in attendance, the resolutions mentioned in this section may only be passed with the vote in favour of TWO THIRDS (2/3) of the share capital present or represented at the General Shareholders' Meeting.

The merger, as well as the demerger, either total or partial, segregation and global assignment of assets and liabilities of the Company will also require the vote in favour of the qualified majority mentioned in the previous paragraph of this section, except when said merger or demerger involves companies that, either directly or indirectly, are majority owned by the Company, in which case the general system provided for in Section 28.1 (simple majority of votes of shareholders present or represented at the meeting, except in those cases where the Law or the Company Bylaws require a higher majority) shall apply.

Article 28.3 of the Company Bylaws states that resolutions to change Articles 3 (Registered Address), 7 (Accounting Register of Shares and Register of Shareholders), 8 (Legitimation of Shareholders), 24.3 (Quorum), 24.4 (Special Quorum), 28 (Majorities for the Approval of Resolutions), 33 (Appointments to the Board of Directors) and 38 (Delegation of Powers) of the Company Bylaws will require the vote in favour of at least SIXTY PERCENT (60%) of the share capital present or represented at the General Shareholders' Meeting, both at first and second call.

B.3 Indicate the rules for amending the Company Bylaws. In particular, indicate the majorities required for amendment of the Company Bylaws and any provisions in place to protect shareholders' rights in the event of amendments to the Company Bylaws.

Article 30.1.i) of the Company Bylaws establishes that the General Shareholders' Meeting has the power to approve any modification of the Company Bylaws.

Pursuant to Article 24 of the Company Bylaws, the Ordinary or Extraordinary General Shareholders' Meeting shall be constituted at first or second call whenever the shareholders in attendance or represented meet the legal and statutory minimum quorums regarding the percentage of share capital for the different matters on the Agenda according to current legislation.

Notwithstanding the foregoing, in order that the General Shareholders' Meeting may validly approve the change of the Company's corporate purpose, the request for delisting of the Company's shares, or the transformation or winding up of the Company, shareholders representing fifty percent (50%) of the share capital with voting rights must be in attendance at first call. At second call, the attendance of shareholders representing twenty-five percent (25%) of share capital with voting rights will suffice.

According to Article 28 of the Company Bylaws, the resolutions of the General Shareholders' Meeting will be passed by a simple majority of the votes of shareholders present or represented at the Meeting, except in the circumstances where the Law or Bylaws provide for a higher majority. Thus, in order that the General Shareholders' Meeting may validly approve the change of the Company's corporate purpose, the request for delisting of the Company's shares, or the transformation or winding up of the Company, the vote in favour of SIXTY PERCENT (60%) of the share capital present or represented at the General Shareholders' Meeting will be required, both at first and second call. Nevertheless, when, at second call, shareholders representing less than fifty percent (50%) of the share capital with voting rights are in attendance, the resolutions mentioned in this section may only be passed with the vote in favour of two thirds (2/3) of the share capital present or represented at the General Shareholders' Meeting.

B.4. Give details of attendance at General Shareholders’ Meetings held during the reporting year and the two previous years:

Date of General Meeting	Attendance data					Of which, floating capital				
	% physical presence	% present by proxy	% distance voting		Total	% physical presence	% present by proxy	% distance voting		Total
			Electronic voting	Other				Electronic voting	Other	
16/06/2022	54.41%	17.29%	0.08%	5.53%	77.31%	0.01%	17.29%	0.08%	5.53%	22.91%
10/06/2021	54.48%	14.89%	0.01%	5.51%	74.89%	0.02%	14.89%	0.01%	5.51%	20.43%
10/07/2020	54.29%	6.76%	0.00%	10.12%	71.17%	0.00%	6.76%	0.00%	10.12%	16.88%

Remarks

B.5. Indicate whether any item on the agenda of the General Shareholders’ Meetings during the year was not approved by the shareholders for any reason.

YES NO

Items on the agenda not approved	% votes against (*)

(*) If the non-approval of the item was for a reason other than the votes against, this will be explained in the text part and “N/A” will be placed in the “% votes against” column.

B.6. Indicate whether the Company Bylaws contain any restrictions requiring a minimum number of shares to attend General Shareholders’ Meetings, or to vote remotely:

YES NO

Number of shares required to attend General Meetings	300
Number of shares required for voting remotely	1

Remarks

B.7 Indicate whether it has been established that certain decisions, other than those established by Law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders’ Meeting.

YES NO

Explain the decisions that must be submitted to the General Shareholders’ Meeting, other than those established by Law

B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the Company's website.

The address for accessing the company's website is: www.meliahotelsinternational.com, and documents relating to the Company's corporate governance and General Shareholders' Meetings are displayed by clicking on Shareholders and Investors' section: <https://www.meliahotelsinternational.com/es/accionistas-e-inversores/gobierno-corporativo/junta-general-de-accionistas>

Likewise, the Company makes available to shareholders and their representatives its Platform for Telematic Attendance at the General Shareholders' Meeting and the Electronic Forum.

C. Structure of the Company’s Administration

C.1 Board of Directors:

C.1.1. Maximum and minimum number of directors established in the Company Bylaws and the number set by the General Meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the General Meeting	11

Remarks

C.1.2 Complete the following table on Board members:

Name or company name of the director	Representative	Category of director	Position on the Board	Date of first appointed	Date of last appointment	Election procedure	Date of birth
Mr. Gabriel Escarrer Juliá		Proprietary	Chairman	07/02/1996	18/06/2019	Resolution of the General Shareholders' Meeting	02/03/1935
Mr. Gabriel Juan Escarrer Jaume		Executive	Vice Chairman - Chief Executive Officer	07/04/1999	10/06/2021	Resolution of the General Shareholders' Meeting	28/01/1971
Mr. Luis M ^a Díaz de Bustamante y Terminel		Proprietary	Secretary Director	30/11/2010	16/06/2022	Resolution of the General Shareholders' Meeting	25/08/1952
Mr. Fernando D'Ornellas Silva		Independent	Coordinating Director	13/06/2012	10/06/2021	Resolution of the General Shareholders' Meeting	29/10/1957
Mr. Francisco Javier Campo García		Independent	Director	13/06/2012	10/06/2021	Resolution of the General Shareholders' Meeting	01/05/1955
Ms Carina Szpilka Lázaro		Independent	Director	25/02/2016	10/07/2020	Resolution of the General Shareholders' Meeting	13/12/1968
Hoteles Mallorquines Asociados, S.L.	Mr. Alfredo Pastor Bodmer	Proprietary	Director	18/06/2019	18/06/2019	Resolution of the General Shareholders' Meeting	30/09/1944
Ms María Cristina Henríquez de Luna Basagoiti		Independent	Director	18/06/2019	18/06/2019	Resolution of the General Shareholders' Meeting	15/09/1966
Hoteles Mallorquines Agrupados S.L.	Mr. Jose María Vázquez-Pena Pérez	Proprietary	Director	10/07/2020	10/07/2020	Resolution of the General Shareholders' Meeting	01/03/1948
Ms Cristina Aldámiz-Echevarría González de Durana		Independent	Director	28/07/2021	16/06/2022	Resolution of the General Shareholders' Meeting	22/03/1970
Ms María Montserrat Trapé Viladomat		Independent	Director	16/06/2022	16/06/2022	Resolution of the General Shareholders' Meeting	14/03/1960
Total number of directors					11		

Indicate any cessations, whether through resignation or by resolution of the General Meeting, that have taken place in the Board of Directors during the reporting period:

Name or corporate name of director	Name or company name of director	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
Ms María Antonia Escarrer Jaume	Proprietary	10/06/2021	28/02/2022	Appointments, Remuneration and Sustainability Committee	YES

Reason for cessation when this occurs before the end of the term of office and other remarks; information on whether the director has sent a letter to the remaining members of the Board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the General Meeting

Ms María Antonia Escarrer Jaume resigned as External Proprietary Director at the meeting of the Board held on 28 February 2022, stating that her resignation was driven by personal reasons and dedication to other activities.

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTOR

Name or company name of director	Post in the organisation chart of the company
Mr. Gabriel Juan Escarrer Jaume	Executive Vice Chairman and Chief Executive Officer
Profile	
<p>Gabriel Escarrer Jaume represents the second generation of the founding family of what is today Meliá Hotels International, a multinational company with presence in more than 40 countries and part of Ibex 35 index, with more than 390 hotels in 4 continents.</p> <p>After graduating from Wharton School, Gabriel Escarrer Jaume worked at the investment bank Salomon Brothers in New York, from which he took part in the successful initial public offering of Meliá Hotels International, a company founded by his father, Gabriel Escarrer Juliá, in 1956. Escarrer combines a strong strategic vision and a financing approach, with a purely hotelier vocation, and after he joined the company, he led a strong advance in the Company’s expansion and diversification of the business model, providing Meliá with greater financial strength in an increasingly complex environment in the international tourism sector, as well as a strong competitive position.</p> <p>Since he was appointed in 2009 Vice Chairman and Chief Executive Officer of the Group, Escarrer is also fostering an important cultural and organisational transformation, with a clear focus on corporate responsibility, sustainability and talent and people management. In 2016, after the Founder’s renunciation of his executive powers, he became the top executive, leading since then an intense process of digital and cultural transformation, which has positioned the company at the leading edge of digitalisation and which, together with the financial consolidation process and the evolution of the business model, has allowed Meliá Hotels International to be better prepared to face the major disruption caused by the COVID-19 pandemic in the whole tourism industry during 2020 and 2021.</p> <p>He is considered one of the 10 best business managers in Spain and one of the most influential Chief Executive Officers in Spain, according to Forbes magazine. In 2019, he was appointed Chairman of Exceltur, the Spanish Alliance for Excellency in Tourism, assuming a strong leadership in heading the sector most affected by the pandemic. A staunch defender of the values underpinning the family business, under his management, since 2019, Meliá Hotels International is considered an international benchmark in sustainability, and was recognised as the most sustainable hotel chain in the world in 2020 and 2022, according to the Corporate Sustainability Assessment carried out by Standard & Poors Global.</p>	
Total number of executive directors	1
Percentage of Board	9.09%

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director
Mr. Gabriel Escarrer Juliá	Tulipa Inversiones 2018, S.A.
Profile	
<p>In 1956, Gabriel Escarrer Juliá was only 21 years old when he founded what is now called the Meliá Hotels International group, by acquiring and managing a 60-room hotel on the island of Majorca, where he was born, and where he still maintains the headquarters of what has now become one of the most successful hotel companies in the world. Previously and for 6 years, Escarrer received training in the tour operator business, where he established contact with the emerging tourism industry, of which he would be a visionary and pioneering entrepreneur.</p> <p>Over six decades, under his Chairmanship, the Group consolidated its leadership in Spain, hub of the vacation travel in Europe, which later was extended to the American Caribbean and Southeast Asia, where it continues to grow and is considered one of the benchmark hotel Groups. During these years, Escarrer built strategic alliances which reinforced the position of the Group in destinations such as Cuba and Indonesia, and, in the 90’s, expanded its strategy to urban hotels in Spain, Europe, Asia and Americas, an approach that has led him to be considered as one of the drivers of the internationalisation of the Spanish enterprise.</p> <p>A milestone in the history of the Company occurred in the 80’s with the acquisition by the Group founded by Escarrer of two of the most important hotel chains at that time in Europe: Hotasa and Meliá, which resulted in the incorporation of almost 70 hotels in just one year, also providing the Group founded by Escarrer with an important national and international dimension, as well as a valuable brand recognition.</p> <p>In 1996, the Company’s IPO marked a new stage of growth which was strengthened by the Group’s strategic plans, and the debut of the second generation of family members in management, marking the beginning of a deep cultural transformation in the Group to address the challenges of the new business environment in the 21st century. Thanks to the strong founding values maintained over six decades, the Group has been recognised by Standard & Poor Global, in the Corporate Sustainability Assessment, as the Most Sustainable Hotel Chain in the world in 2019 and 2020, obtaining the second position in 2021, thanks to its ethical, social and environmental commitment.</p> <p>After emerging stronger from the financial crisis that shook the sector between 2008 and 2013, and after making sure that the Company was in safe hands, Gabriel Escarrer Juliá resigned his executive powers in December 2016, which were transferred to his son Gabriel Escarrer Jaume as Executive Vice Chairman and Chief Executive Officer, with the founder holding the Non-Executive Chairmanship, and also chairing the Board of Directors and the General Shareholders’ Meeting.</p> <p>As a result of his wide experience within the tourism industry, Gabriel Escarrer Juliá has been awarded several recognitions that evidence his important contribution to the national and international hotel sector. One of the most touching awards for the founder of Meliá Hotels International was the title of Doctor Honoris Causa from the Universidad de les Illes Balears (UIB) in December 1988.</p> <p>In 1998 he received the “<i>Personalidad Turística del Siglo</i>” [Tourism Personality of the Century] award, which was granted by a large majority in a survey conducted to 300 executives and professionals within the sector.</p>	

A year later, he obtained another 3 prestigious recognitions which honoured him as the “*Mejor Empresario de la Construcción y Promoción Inmobiliaria*” [Best Entrepreneur of Construction and Real Estate Development], granted by Máster en Dirección de Empresas Constructoras e Inmobiliarias (M.D.I.) and the magazine “Actualidad Económica”; as the “Corporate Hotelier of the Year”, granted by the well-known North American publication “Hotels”; and several recognitions to his career or “Lifetime Achievement Awards” granted by prestigious organisations such as International Hotel Investment Forum, the World Tourism Organization, or the European Hospitality Awards. In May 2001, Escarrer was appointed as exclusive member of the “Hall of Fame” of the British Travel Industry. In that year, the President of Meliá Hotels International became a member of the “Hall of Honor” of Conrad N. Hilton of Hotel Management of the University of Houston (USA), and, in 2002, received the recognition from the CIMET (Ibero-American Conference of Tourism Ministers and Entrepreneurs) for his professional career. In 2006, coinciding with the 50th anniversary of the company, he received the Medal of the Balearic Islands, the highest honour of the Autonomous Community in recognition of his work, and the Medal of the Chamber of Commerce of Mallorca, Ibiza and Formentera.

Among the various international recognitions to his career, Escarrer received the “Life Achievement Award” at the European Hospitality Awards in London in 2011, the lifetime Worldwide Hospitality Awards in Paris, and the prestigious “Ullises Award” from the WTO (Lifetime Achievement Award) in 2012. In 2016, Gabriel Escarrer also received the Hall of Fame from the “Hotel-E Investment Conference”, one of the most important forums of hotel investment at an international level, and he was appointed Honorary Ambassador of Marca España.

In 2021, he presented his memoirs named “My Life”, a milestone to which Escarrer aspired and dedicated long days during the lockdown caused by the Covid pandemic, which narrates his entire career and details the significant aspects that comprise the legacy he hopes to leave to the present and future generations of tourism professionals. Recognised as one of the key figures in the history of international tourism, Gabriel Escarrer continues to be an enthusiast of the transforming power of tourism in society, an industry that in his words “unites countries, transcends borders and promotes social and economic welfare of peoples.”

In 2022, Gabriel Escarrer Juliá received the “VII Premio Reino de España a la Trayectoria Empresarial” [VII Kingdom of Spain Award for the Business Career].

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director
Hoteles Mallorquines Asociados, S.L. - natural person representative Mr. Alfredo Pastor Bodmer	Hoteles Mallorquines Asociados, S.L.

Profile

Mr. Pastor Bodmer is Graduate in Economics , Ph D in Economics, Massachusetts Institute of Technology and Doctor in Economics.

Professor of Economic Theory since 1976, he has held different positions since 1980, such as Professor of Economics, Boston University (1980-1981), Country Economist, World Bank (1981-1983), Manager of Planning, INI (1983 - 84), Managing Director, INI (1984 - 85), President, ENHER (1985 - 90), Counsellor of the Bank of Spain (1990 - 93), Manager of the Instituto de la Empresa Familiar (1992-93), Secretary of State for the Economy (1993 - 95), Instituto de Estudios Superiores de la Empresa (IESE): Extraordinary Professor (1996-97) and Ordinary Professor (1997 - 2015); Chair of Spain, CEIBS (since 2000), Dean of CEIBS (China Europe International Business School), Shanghai, China (2001-2004), Chair of Emerging Economies, Banco Sabadell, 2009.

He is currently a member of the Board of Directors of Meliá Hoteles International and Copcisa, having previously been a member of other Boards such as the Board of Miquel y Costas, Bansabadell Inversión and Hidroeléctrica del Cantábrico, among others. Author of multiple publications, in 2011 he received the Conde de Godó Award.

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director
Mr. Luis María Díaz de Bustamante Terminel	Hoteles Mallorquines Consolidados, S.L.
Profile	
<p>Born in Torrelavega (Cantabria, Spain) on 25 August 1952. Graduated in Law from the Universidad Complutense de Madrid. Practising lawyer since 1975. Partner of the law firm Isidro D. Bustamante (1942-1980/2018). His professional career has been mainly focused on the areas and practice of civil, trade and civil procedural and international law, as well as on consultancy services for entrepreneurs and corporations.</p> <p>Mr. Luis M^a is a member of the Board of Directors of Meliá Hotels International and of the Appointments, Remuneration and Sustainability Committee.</p>	

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director
Hoteles Mallorquines Agrupados S.L., natural person representative Mr. José María Vázquez-Pena Pérez	Hoteles Mallorquines Agrupados S.L.

Profile
<p>Law degree from the Universidad de Santiago de Compostela. General Management Programme (PDG) from IESE.</p> <p>He began his professional career as a lawyer at the Ministry of Labour. Two years later, he joined the energy company Fenosa (later renamed Unión Fenosa), where he developed his career for 31 years. In 2000, he led the launching of the Corporate University, a pioneer in Spain. He was a member of the Management Committee of Unión Fenosa and of various Boards of Directors of the Group and Secretary of the Appointments and Remuneration Committee.</p> <p>In 2009 he left the company after its acquisition by Gas Natural, being at that time Managing Director of Resources and responsible for the areas of Organisation, HR, Corporate University, Procurement and Logistics, Real Estate Management, Corporate Works, Security and General Services. Since 2010, he has focused his activity on advising and counselling individuals and companies in matters related to his professional experience.</p> <p>He currently participates in the renewable energy company Smartener, is a member of the Board of Directors of Luckia and Torres & Sáez and advisor to the Board of the Escarrer family.</p>

Total number of proprietary directors	4
Percentage of Board	36.36%
Remarks	

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director
Ms Carina Szpilka Lázaro
Profile
<p>Ms Szpilka Lázaro is Graduate in Economics and Business Sciences from ICADE E-2 and Executive MBA from Instituto de Empresa in Madrid.</p> <p>She has held positions at Santander Investment, Argentaria (currently, BBVA) and ING Direct between 1991 and 2013, where she was VP (Vice President) of the Customer Service, Sales and Internet department, as well as Executive VP of the Mortgages Business Line, and for the last five years, CEO of ING Direct in France and then in Spain.</p> <p>She has also performed voluntary work as Vice Chairwoman of Unicef Spain for four years and as a member of the Board of Trustees of Fundación Create. She is currently an Independent Director of ABANCA, where she chairs the Remunerations Committee, of Grifols where she also chairs the Auditing Committee and of Meliá Hotels International, a company in which she is a member of the Auditing and Compliance Committee and the Appointments, Remuneration and Sustainability Committee.</p> <p>She is also a founding member and Chairwoman of K Fund Venture Capital, from where she promotes digital citizen programmes aimed at reducing the digital gap of digital competences. As a founder of K Fund, a fund of Venture Capital, since 2016, the director Szpilka is continuously exploring and analysing new technologies and innovative business models, particularly in the development of digital companies in the tourism, education, health, artificial intelligence or security sectors.</p> <p>She has received numerous awards, including: “<i>Mujer Directiva del Año</i>” [Female Director of the Year] award, Fedepe (2011), “<i>Premio a la carrera fulgurante</i>” [The Brilliant Career Award], ICADE (2012), “<i>Medalla de oro del forum alta dirección</i>” [Gold Medal of Senior Management Forum] (2012), “<i>Premio Emprendedores al Mejor Directivo del año</i>” [Entrepreneurs Award to the Best Director of the Year] (2013), “<i>Premio #ElTalento Cinco Días al Talento Ejecutivo</i>” [Cinco Días #TheTalent Award for Executive Talent] (2014), “<i>Premio a la Excelencia Profesional</i>” [Award for Professional Excellence], ADigital (2014) and “<i>Eisenhower Innovation Fellow</i>” (2014).</p>

Name or company name of director
Mr. Fernando D’Ornellas Silva
Profile
<p>Degree in Law and Economics from ICADE-E3 and MBA from IESE in Barcelona (International Section), from 1983 to 1985 he worked as Deputy Financial Director at Johnson & Johnson Spain. He has also held several positions within the Bergé Group since 1985, Chief Financial Officer of Toyota Spain until 1992, Chief Executive Officer of Chrysler Spain from 1992 to 2004, President of Chrysler Portugal from 1997 to 2012, President of Chrysler Colombia from 2010 to 2012, President of KIA for Argentina, Peru and Portugal from 2004 to 2012, President of Mitsubishi Motor Peru from 2010 to 2012, Vice President of Mitsubishi Motors Chile from 2001 to 2012, Vice President of SKBergé Latin America from 2001 to 2012, President of Bergé Automoción from 2004 to 2012 and Chief Executive Officer of Bergé Group from 2007 to 2012.</p> <p>Since 2004 he has held, among others, the following positions: member of the Board of Directors, Chairman of the Remuneration Committee between 2007 and 2009, and Chairman of the Auditing Committee in 2009 of ENDESA S.A. Member of the Board of Directors and Chairman of the Auditing Committee between 2007 and 2009 and Director in charge of supervising the activities of subsidiaries in Peru, Colombia, Argentina and Brazil for ENDESA CHILE. Member of the Board of Directors (2013-2015) and Chairman of the Auditing Committee (2014-2015) of DINAMIA. Vice Chairman of the Asociación de Nacional de Importadores de Automóviles, Camiones, Autobuses y Motocicletas from 2004 to 2012.</p> <p>Founding member of the Fundación España-Chile and Fundación España-Perú in 2011 and 2012. Member of the Fundación Consejo España-China and Fundación Consejo España-Japón; Adviser for Mitsubishi Corporation in the acquisition of shares in Acciona Termosolar, S.A. in 2010 and 2011, and Vice Chairman of the Real Club de la Puerta de Hierro between 2006 and 2010. He was a member of the Advisory Board of WILLIS IBERIA from March 2013 to December 2017 and a member of the Board of Directors of GPIAC (GP Investments Acquisition Corp.) from June 2015 to October 2017.</p> <p>Currently, he is a member of the Board of Directors since June 2012, Coordinating Director, Chairman of the Auditing and Compliance Committee and Chairman of the Appointments, Remuneration and Sustainability Committee of Meliá Hotels International S.A.</p> <p>He is a member of the Board of Directors of PROSEGUR since April 2016, a member of the Auditing and Compliance Committee (since April 2017) and a member of the Appointments and Remuneration Committee. Senior Advisor Spain and LATAM for MITSUBISHI CORPORATION since March 2013; Senior Advisor for Spain and Latam for Lazard Asesores Financieros S.A. since June 2013 and a member of the Advisory Board of FERTIBERIA, since March 2020.</p> <p>He is also a member of the International Advisory Board of Hispanic Society of America and its representative in Spain; Member of the Board of the Real Club de la Puerta de Hierro since 2010, Vice Chairman of the International Board of the Teatro Real in Madrid since 2015; Member of the Fundación España-Estados Unidos since 2016 and a Member of the Fundación Consejo España-Japón since 2017.</p>

Name or company name of director
Mr. Francisco Javier Campo García
Profile
<p>Industrial Engineer from the Universidad Politécnica de Madrid, he began his career in 1980 at Arthur Andersen.</p> <p>Later, in 1985 he joined Día, where for 24 years he held the position of World President of the Dia International Group, and he was also a member of the Carrefour Group's Global Executive Committee for 15 years. From 2009 to 2014, he was President of the Zena group, the leading multi-brand restaurant chain company in Spain. The group comprises five brands: Foster's Hollywood, La Vaca Argentina, Cañas y Tapas, Domino's Pizza and Burger King.</p> <p>He has also been President of the Cortefiel Group (Cortefiel, Springfield, Women-Secret) from 2014 to 2016 and a member of the Board of Directors of Bankia, Chairman of the Risk Advisory Committee, Chairman of the Auditing and Compliance Committee, a member of the Appointments and Responsible Management Committee and a member of the Technology and Innovation Committee of the bank between 2012 and 2021. He is currently Vice President of AECOC (Association of Large Consumption Companies) which represents more than 20% of the Spanish GDP and has more than 30,000 associated companies, where he has participated in projects of environmental and social sustainability (lean&green, Smart distribution, food waste, deforestation, etc.).</p> <p>He is a member of the Board of Directors of Caixabank, a member of the Appointments and Sustainability Committee and of the Auditing and Control Committee of such entity, a member of Board of Directors of Meliá Hotels International, Chairman of its Auditing and Compliance Committee and a member of the Appointments, Remuneration and Sustainability Committee; a member of the Advisory Board of the Grupo de Alimentación Palacios, a member of the Advisory Board of AT Kearney and a member of the Advisory Board of Pastas Gallo.</p> <p>He is also a member of the Board of Trustees of Fundación ITER, a member of merit of Fundación Carlos III, a board member of the Fundación Caixabank and a board member of A.P.D. (Association for the Progress of Management). He was awarded the Order of Merit of the French Republic.</p>

Name or company name of director
Ms María Cristina Henríquez de Luna Basagoiti
Profile
<p>Ms María Cristina Henríquez de Luna Basagoiti has a Degree in Business Management and Administration from the Universidad Pontificia de Comillas de Madrid (ICADE-E2).</p> <p>Since 2014, she is President and General Manager in Spain and Responsible for Iberia and Israel at GlaxoSmithKline (GSK), where she leads the strategic, business and organisational planning and general operations. As President, she is in charge of the company’s corporate governance and risk management, in a highly regulated environment, as well as of the communication with external relations and institutions.</p> <p>In recent years, she has led significant changes in the Company, including corporate transactions, acquisitions and divestments and an important restructuring of business transactions to adapt them to the new digital environment and the use of new technologies in the health sector, successfully launching new respiratory and oncological medications and vaccines. Prior to her current position, she was European Vice Chairwoman of Finance at GSK and finance manager of New Global Franchises at the headquarters of the company in the UK.</p> <p>Before joining GSK, she worked at Procter & Gamble, where she held the position of Vice Chairwoman for Finance and Accounting for Western Europe (from 2006 to 2010) in Switzerland, being responsible for financial planning, controls and organisation of 17 countries and various categories of mass consumption, luxury and health care products. Previously and since 1989, year in which she joined as a financial analyst, she has had extensive experience in other financial positions in Europe and Latin America, such as Treasury Manager for Latin America (2001-2004) and Finance Manager for Latin America (North Region) headquartered in Mexico, where she acquired a wealth of experience in the management of organisational changes, acquisition of new businesses, sovereign risks and crisis in highly volatile environments.</p> <p>Cristina is an independent director at Applus Services, S.A., since July 2016, and at Viscofan, S.A., since April 2022, and a member of the Auditing Committee of these companies. Vice President of Fundación Ciencias de la Salud, Vice President of Fundación España Salud, Vice Chairwoman and a member of the Governance Board and the Management Board of Farmaindustria, and a Member of the Executive Board of Fundación SERES, Sociedad y Empresa Responsable.</p> <p>She actively collaborates with other institutions that are aligned with the strategy of sustainability and responsible innovation of GSK, including, but not limited to, Fundación COTEC, the British Chamber of Commerce and Forética. She has collaborated with various institutions for the advancement of women and the protection of children.</p> <p>Cristina received the “<i>Premio Impulso a la Promoción de la Mujer</i>” [Drive for the Advancement of Women Award] (Fedepes, 2020) and “<i>Mejor CEO del año</i>” [Best CEO of the year] (Expansión, 2021). Her efforts as the leader of GSK have been successful since the company was recognised as the Best company to work for in Spain of all the sectors by Forbes (2020) and by Actualidad Económica (2021), the 4th best company by Actualidad Económica (2022), as well as by Fundamed, with “<i>Mejor Compañía Farmacéutica</i>” [Best Pharmaceutical Company] (2016) and “<i>Impulso al Talento Femenino</i>” [Promotion of Female Talent] (2018) awards and with the most attractive pharmaceutical company to work award by Randstad (2022).</p>

Name or company name of director
Ms María Montserrat Trapé Viladomat
Profile
<p>Ms María Montserrat Trapé Viladomat is graduated in Law from the Universidad Internacional de Cataluña, State Tax Inspector on a personal leave and statutory auditor registered with the ROAC [Official Register of Statutory Auditors].</p> <p>As a State Tax Inspector at the Tax Agency, she held several management positions, such as Deputy Head of Tax Inspectorate in Catalonia in 1996. Her career in the Public Administration, however, was early focused on the International Taxation area. During this period, she was delegate of Spain in the OCDE Group, which developed the Transfer Pricing regulations for multinational groups. In 2002, she was appointed as Vice President of the EU Transfer Pricing Forum, a Forum which promoted the transnational mechanisms to remove double taxation of the companies and simplify the obligations derived from the complex regulations governing this field.</p> <p>In 2007, she joined KPMG as partner responsible for International Taxation, supporting the companies with global presence in the definition and implementation of tax and financial strategies. This allowed her to know in depth the several sectors and companies, in which she helped to bring solid reputation and value creation together as a result of the definition and implementation of a strong tax policy.</p> <p>At KPMG, she assumed several international and national responsibilities. At an international level, she led the European practice of transfer pricing and was a member of its worldwide committee. In 2015, she joined the Steering Committee of KPMG Abogados in Spain, with more than 820 professionals, and assuming the management of the entire legal and tax practice of KPMG in Catalonia.</p> <p>In 2017, Montserrat was appointed as Director of KPMG, being firstly a member of the Auditing and Risk Committee and later a member of the Appointments and Remuneration Committee. She was Cochair of the Spanish “Women Corporate Directorate Foundation” (WCD), a foundation which purpose is to give visibility, promote good practices and continuous training to female directors.</p> <p>Currently she is an Independent Director of CriteriaCaixa and Chairwoman of the Tax Compliance Committee of Cellnex. She is also professor for the Course of Specialisation for Female and Male Directors of Sagardoy Business and Law School, visiting professor of ESADE and regular conference speaker in specialised international events. She was appointed as Chairwoman of several arbitral commissions to resolve conflicts between tax authorities and is a member of the Legal Committee of Foment del Treball, of the Asociación Española de Directivos (AED) and of WDC.</p> <p>She has participated as lecturer in several training programmes and specialised seminars and is the author of several publications regarding taxation, outstanding among which is the “<i>Convenios Fiscales Internacionales</i>” [International Tax Conventions], a benchmark publication on the matter with 13 editions.</p> <p>Throughout her career she has been granted several recognitions: she has been included in the “Best Lawyers” list in Spain and in the Chambers Europe Awards. Likewise, she was honoured as “<i>Mejor Abogada de España</i>” [Best Lawyer in Spain] by the Economist and Iuris (2017) and received the Alumni Award from the Universidad Internacional de Cataluña (2019).</p>

Name or company name of director	
Ms Cristina Aldámiz-Echevarría González de Durana	
Profile	
<p>She has a Degree in Economics and Business Sciences from the Universidad Comercial de Deusto, with majors in Finance.</p> <p>She developed her professional activity as an analyst at the Departamento de Desarrollo de la Bolsa de Valores de Lima (Perú) between 1993 and 1994, and subsequently as CFO at ONA electroerosión, S.A. (Durango) between 1994 and 2000 and as an associate at Merrill Lynch Europe, Investment Banking, telecommunications in London, in 2001.</p> <p>Since 2002, she has held different positions at ACS (Actividades de Construcción y Servicios S.A.) within the corporate directorate with seat in Madrid: initially as Head of Corporate Development (2002-2016) and since 2016, as Head of Finance and Corporate Development. She has been a member of several Boards of Directors: Masmóvil Ibercom S.A. (2016-2020), Bow Power, S.L. (2015-2019), Saeta Yield S.A. (2015-2018), Clece S.A. (2012-2014) and TBI Ltd. (2007-2012).</p>	
Total number of independent directors	6
Percentage of Board	54.55%
Remarks	

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or corporate name of director	Description of the relationship	Reasoned statement

Indicate any changes that have occurred during the period in each director's category:

Name or corporate name of director	Date of change	Previous category	Current category
Mr. Luis María Díaz de Bustamante y Terminel	04/05/2022	Independent	Proprietary

Remarks

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	0	1	1	1	0.00%	25.00%	25.00%	25.00%
Independent	4	3	2	2	66.6%	50.00%	33.33%	33.33%
Other external	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total	4	4	3	3	36.36%	36.36%	27.27%	27.27%
Remarks								

C.1.5. Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

YES NO PARTIAL POLICIES

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the appointments and remunerations committee to achieve a balanced and diverse presence of directors.

If the Company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved
<p>The Company has a Director Selection and Diversity Policy that sets the diversity objectives for both the Board and Senior Management of the Company. In particular, the objective was to reach 40% of female directors on the Board by 2023.</p> <p>As mentioned in other sections of the ACGR, the current percentage of women on the Board is 36.36%, i.e., 4 female directors out of a total of 11 members. In this sense, the Company is aware that the set goal has not been achieved and will continue to follow the Policy for the selection (and re-election) processes in order to accomplish the 40% objective.</p> <p>In 2023, the review and update of the Diversity Policy are planned in order to update the objectives on this matter.</p>

C.1.6 Describe the measures, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures
<p>The Company acknowledges full equality of opportunities in all of its actions; a criterion that is applied by the Appointments, Remuneration and Sustainability Committee in the selection process of new Directors, ensuring that there are no hidden biases which impede the selection of female directors.</p> <p>During the procedures for selection of Directors, the Appointments, Remuneration and Sustainability Committee assesses the skills and experience of candidates based on criteria of objectivity, among other parameters, evaluating the profile of candidates and promoting equal opportunities between women and men, ensuring that there is no discrimination based on gender and making sure transparency exists throughout all processes.</p> <p>Likewise, in the processes for selection of independent directors, internationally renowned firms are relied on to search for potential candidates who have the profile sought by the Committee. Also, the competency matrix prepared by the Appointments, Remuneration and Sustainability Committee (updated in 2022) is considered to adapt potential candidates to the structure and competencies of the Board.</p> <p>This matrix identifies the skills, experience and training of all the members of the Board of Directors:</p> <p>Competency Matrix</p>

In particular, the Company's Director Selection and Diversity Policy includes as a guiding principle to be observed in the processes *"The assessment of all potential candidates under equal opportunities and objectivity criteria to avoid any type of implicit bias that may imply any type of discrimination."*

As for the measures applicable to senior management, it should be noted that the scope of the Director Selection and Diversity Policy includes the senior management, establishing to that effect that *"diversity of nationality, gender, knowledge and expertise in the Company's senior management shall be also promoted, encouraging, as far as possible, the presence of a significant number of women in the Company's senior management"*.

If in spite of any measures adopted there are few or no female directors or senior executives, explain the reasons for this:

Explanation of reasons

C.1.7 Explain the conclusions of the appointments committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

Explanation of conclusions

During 2022 and regarding the proposals for new appointments or re-election of Directors submitted to the General Shareholders' Meeting for approval, the Appointments, Remuneration and Sustainability Committee assessed compliance with the Director Selection and Diversity Policy in force at that time when preparing the legally applicable Reports and Proposals, which were made available to the shareholders through the Company's website, and, in summary, established that *"...the Board of Directors must include and maintain among its members Directors with extensive professional background and wide experience in different sectors, with a perfect knowledge of the operations of the Company and commitment to its values, and with ability to understand and adapt in a constantly-changing industry growing both geographically and technologically. To achieve this, the competencies, skills, and expertise of the directors have been assessed according to the competency matrix recently reviewed by the Committee."*

With regard to the recommendations of the Good Governance Code of Listed Companies in force at the time of preparation of the relevant reports and proposals, the recommendations relating to the percentage of proprietary and independent directors have been taken into account and observed, in particular, the following: "the percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital".

In this sense, the Board of Directors, with a total of ELEVEN (11) members, is made up of SIX (6) external independent directors, FOUR (4) external proprietary directors, and ONE (1) executive director. After the appointments and re-elections carried out during this year, the existing proportion between external proprietary and independent directors has been maintained (36% vs. 54%) and, although the right of proportional representation of significant shareholders is facilitated, it establishes a relatively low percentage of proprietary directors compared to independent directors.

Likewise, the Director Selection and Diversity Policy is framed in accordance with the provisions of Recommendations 14 and 15 of the Good Governance Code of Listed Companies of the CNMV and specifically its principles are aimed at facilitating an appropriate composition of the Board of Directors, as detailed in section C.1.5 of this report.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

YES NO

Name or company name of shareholder	Explanation

C.1.9 Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees, including the power to issue or buy back shares:

Name or company name of director or committee
Mr. Gabriel Juan Escarrer Jaume
Brief description
<p>As the Chief Executive Officer, he has been delegated by the Board of Directors all delegable powers pursuant to the Law and the provisions of Article 34 of the Company's Bylaws.</p> <p>To this end and in this field, the acts and legal businesses that are responsibility of the Board of Directors include, without limitation, the following:</p> <p>(a) To represent the Company before all types of people, organisations, authorities, public administration, banks and other entities, both private and official, both judicial and extrajudicial, absolving positions, compromising and desisting from all types of actions and procedures, and even ratifying said acts before the courts.</p> <p>(b) To pay debts and receive payments due of all types, including those with origin in the national authority, regional authority, provincial authority or municipal authority.</p> <p>(c) To prepare and grant all types of contracts, deeds and documents, public or private, of any type, in relation to capital assets, livestock, merchandise, insurance policies, transport and real estate, including the purchase, subscription, sale or exchange of all types of capital assets, both public and private, both Spanish and international.</p> <p>(d) To request, obtain, acquire, grant and exploit patents, brands, privileges, licences and administrative concessions, as well as performing any transactions in regard to industrial property.</p> <p>(e) To convene the General Shareholders' Meeting and execute and ensure compliance with resolutions adopted by the Meeting.</p> <p>(f) To intervene in tenders and auctions, both judicial and extrajudicial.</p> <p>(g) To establish, monitor, liquidate, settle, and cancel current accounts, savings accounts and credit accounts with the Bank of Spain, and with any other banking organisation, savings bank, companies or other entities both in Spain and abroad.</p> <p>(h) To draw, endorse, accept, take, discount, negotiate and protest bills of exchange, financial and credit bills, cheques, promissory notes and money orders.</p> <p>(i) To request and obtain from banking, credit and financial organisations all types of credits, including mortgages, subscribing the appropriate policies and documents and employing and repaying the funds obtained.</p>

(j) To grant guarantees and deposits by any means for the obligations of third parties.

(k) To provisionally approve inventories, balances and the Annual Report due for presentation to the General Shareholders' Meeting and in the public offices required by tax laws, as well as the distribution of profits.

(l) To appoint and remove executives, employees and dependents of the Company, and establish categories, salaries and other remuneration that they must receive within applicable market or labour regulations.

(m) To make and liquidate deposits of all kinds, including with banking or credit organisations, even the Bank of Spain and the General Deposit Bank.

(n) To confer and revoke powers for court lawyers and attorneys and of any third parties so that they may represent the Company in all types of cases and, in particular, so that they may intervene in civil, criminal, administrative, economic administrative, litigious-administrative, governmental and labour jurisdictions.

(o) To appoint one or more proxies, that may also be called Director, Manager or similar, if so authorised, to exercise the powers defined in each case, jointly and severally or jointly, and which may be delegated.

(p) To decide the creation of subsidiaries, agencies, deposits, delegations, and representations.

(q) To accept, when appropriate, the resignation of the members that form part of the Board.

(r) To form, modify and wind-up all types of civil and business organisations, to intervene and vote in their General Shareholders' Meetings and accept or designate positions in the management and administrative bodies.

Regarding the power to issue or buy back shares, it is only foreseen the delegation by the General Shareholders' Meeting indicated in section A.10 of this Report, in which the Board of Directors was expressly authorised to delegate to the Chief Executive Officer the power to buy back and issue shares. In this sense, at the date of preparation of this report, such power was not exercised.

Mr. Gabriel Escarrer Jaume has been delegated the abovementioned powers pursuant to the resolution of the Board dated June 10, 2021, which was executed in a public deed on 14 June 2021 with protocol number 1908, duly registered with the Commercial Registry of Mallorca.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or corporate name of director	Company name of the group company	Position	Does the director have executive powers?
Mr. Gabriel Juan Escarrer Jaume	Sol Melia Hotel Management (Shanghai) Co. Ltd.	Manager	NO
Mr. Gabriel Juan Escarrer Jaume	PT Sol Melia Indonesia	Manager	Yes, he has executive powers as the other managers, with the following exceptions: (a) that the signature of the manager involves assuming an obligation exceeding USD 50,000; (b) tax returns; or (c) execution of employment contracts.
Mr. Gabriel Juan Escarrer Jaume	Melia Vietnam Company Limited	N/A	Yes, he has the following executive powers: (a) to act on behalf of the investor (Meliá Hotels International, S.A.); and (b) to decide on all matters and carry out any acts related to registration and implementation of investment projects, registration of the establishment of Melia Vietnam, including without limitation, to sign dossiers and documents on behalf of Meliá Hotels International, S.A. and to authorise other individuals or organisations to carry out the actions and procedures related to the above.
Mr. Gabriel Juan Escarrer Jaume	Adprotel Strand, S.L.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	Altavista Hotelera, S.L.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	Ayosa Hoteles, S.L.	Director and Co-Chief Executive Officer	NO
Mr. Gabriel Juan Escarrer Jaume	Colón Verona, S.A.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	Desarrollos Hoteleros San Juan Exhold, S.L.	Director (Chairman of the Board of Directors)	NO

Mr. Gabriel Juan Escarrer Jaume	Evertmel, S.L.	Director and Co-Chief Executive Officer	NO
Mr. Gabriel Juan Escarrer Jaume	Farandole, B.V.	Co-manager	NO
Mr. Gabriel Juan Escarrer Jaume	Gestión Hotelera Turística Mesol, S.A.	Sole Administrator	YES
Mr. Gabriel Juan Escarrer Jaume	Kimel MCA, S.L.	Director and Co-Chief Executive Officer	NO
Mr. Gabriel Juan Escarrer Jaume	Melcom Joint Venture, S.L.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	MIA Exhol, S.A.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	Mongamenda, S.L.	Director and Co-Chief Executive Officer	NO
Mr. Gabriel Juan Escarrer Jaume	Prodigios Interactivos, S.A.	Director (Chairman of the Board of Directors) and Chief Executive Officer	YES
Mr. Gabriel Juan Escarrer Jaume	San Juan Investments Exhold, S.L.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	SM Investment Exhol, S.L.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	Proyectos Financieros Hayman, S.L.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	Sol Group Exhol, S.L.	Director	NO
Mr. Gabriel Juan Escarrer Jaume	Sol Maninvest, B.V.	Director	NO
Mr. Gabriel Juan Escarrer Jaume	Sol Melia Europe, B.V.	Director and Co-Chief Executive Officer	NO

Mr. Gabriel Juan Escarrer Jaume	Tenerife Sol, S.A.	Director (Chairman of the Board of Directors) and Chief Executive Officer	YES
Mr. Gabriel Juan Escarrer Jaume	Realizaciones Turísticas, S.A.	CEO	YES
Mr. Gabriel Juan Escarrer Jaume	Inversiones y Explotaciones Turísticas, S.A.	CEO	YES
Mr. Gabriel Juan Escarrer Jaume	Apartotel, S.A.	CEO	YES
Mr. Gabriel Juan Escarrer Jaume	Sol Melia Greece, S.A.	Director	YES
Mr. Gabriel Juan Escarrer Jaume	Sol Melia Italia, S.R.L.	Sole Administrator	YES
Mr. Gabriel Juan Escarrer Jaume	Sol Melia Balkans, E.A.D.	Director, member of the Board of Directors	NO
Mr. Gabriel Juan Escarrer Jaume	Casino Tamarindos, S.A.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	Inversiones Hoteleras La Jaquita, S.A.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	Dorpan, S.L.U.	Director (Chairman of the Board of Directors) and general attorney-in-fact	YES
Mr. Gabriel Juan Escarrer Jaume	Hotelpoint, S.L.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	Sol Meliá Deutschland GmbH	Joint and several administrator	YES
Mr. Gabriel Juan Escarrer Jaume	Sol Meliá Luxembourg	Director	NO
Mr. Gabriel Juan Escarrer Jaume	Hoteles Sol Melia, S.L.	Director (Chairman of the	YES

		Board of Directors) CEO	
Mr. Gabriel Juan Escarrer Jaume	Securi Sol, S.A.	General attorney-in-fact. Director (Chairman of the Board of Directors)	YES
Mr. Gabriel Juan Escarrer Jaume	Sol Meliá Vacation Club España, S.L.	Director (Chairman of the Board of Directors) Joint and Several CEO	YES
Mr. Gabriel Juan Escarrer Jaume	Hogares Batle, S.A.	Director (Chairman of the Board of Directors)	NO
Mr. Gabriel Juan Escarrer Jaume	Desarrollos Sol, S.A.	Director (Chairman of the Board of Directors) General attorney-in-fact	YES
Mr. Gabriel Juan Escarrer Jaume	Inversiones Areito, S.A.	Director (Chairman of the Board of Directors)	YES
Mr. Gabriel Juan Escarrer Jaume	Cadstar France, S.A.S.	Chairman	YES
Mr. Gabriel Juan Escarrer Jaume	Hotel Alexander, S.A.S.	Chairman	YES
Mr. Gabriel Juan Escarrer Jaume	Hotel Colbert, S.A.S.	Chairman	YES
Mr. Gabriel Juan Escarrer Jaume	Hotel François, S.A.S.	Chairman	YES
Mr. Gabriel Juan Escarrer Jaume	Hotel Métropolitain, S.A.S.	Chairman	YES
Mr. Gabriel Juan Escarrer Jaume	Hotel Royal Alma, S.A.S.	Chairman	YES
Mr. Gabriel Juan Escarrer Jaume	Madeleine Palace, S.A.S.	Chairman	YES

Mr. Gabriel Juan Escarrer Jaume	Sol Meliá France, S.A.S.	Chairman	YES
Mr. Gabriel Juan Escarrer Jaume	Lomondo Limited	Manager	YES
Mr. Gabriel Juan Escarrer Jaume	London XXI Limited	Manager	YES
Mr. Gabriel Juan Escarrer Jaume	Meliá Hotels International UK Limited	Manager	YES
Mr. Gabriel Juan Escarrer Jaume	Melia Hotels USA, LLC	Manager	NO
Mr. Gabriel Juan Escarrer Jaume	Bisol Vallarta, S.A. de C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Cala Formentor S.A. de C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Caribotels de Mexico, S.A. de C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Corporación Hotelera Hispano Mexicana S.A. de C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Operadora Mesol, S.A. DE C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Detur Panamá, S.A.	Treasurer and Manager	NO
Mr. Gabriel Juan Escarrer Jaume	Corporación Hotelera Metor, S.A.	Member of the Governing Body	NO
Mr. Gabriel Juan Escarrer Jaume	Corporación Hotelera Metor, S.A.	Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Sol Melia Peru, S.A.C	Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	El Recreo Plaza, C.A.	Manager	NO
Mr. Gabriel Juan Escarrer Jaume	Inmobiliaria Distrito Comercial	Statutory Administrator - Chairman	NO

Mr. Gabriel Juan Escarrer Jaume	Inversiones Inmobiliarias I.A.R.1997 C.A.	Non-single Statutory Administrator	NO
Mr. Gabriel Juan Escarrer Jaume	Servicios Pleyes, S.A. DE C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Servicios Artemisa, S.A. DE C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Servicios Piteo, S.A. DE C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Servicios Personales Orfeo, S.A. DE C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Servicios Integrales De Personal Iris, S.A. DE C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Baja Servicios Administrativos, S.A. DE C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Cibanco S.A. Ibm Fideicomiso CIB/2950 EL MEDANO	Proprietary member - Technical Committee	NO
Mr. Gabriel Juan Escarrer Jaume	Paradisus Los Cabos, S.A. de C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Operadora Cala Formentor, S.A. de C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Meliá Cozumel, S.A. de C.V.	Proprietary Director - Chairman	NO
Mr. Gabriel Juan Escarrer Jaume	Operadora Hotelera Mesol, S.A. de C.V.	Proprietary Director - Chairman	NO
Remarks			

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's Board of Directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position	Remunerated
Mr. Gabriel Escarrer Juliá	Inmobiliaria Bibiloni, S.A.	Director	NO
Mr. Gabriel Escarrer Juliá	Inmobiliaria Son Quint, S.A.	Director	NO
Mr. Gabriel Escarrer Juliá	Cadena Hotelera Sol, S.A.	Sole Administrator	NO
Mr. Gabriel Juan Escarrer Jaume	Inmobiliaria Bibiloni, S.A.	Director	NO
Mr. Gabriel Juan Escarrer Jaume	Inmobiliaria Son Quint, S.A.	Director	NO
Mr. Gabriel Juan Escarrer Jaume	Hoteles Mallorquines Asociados, S.L.	Director	YES
Mr. Gabriel Juan Escarrer Jaume	Hoteles Mallorquines Agrupados S.L.	Director	YES
Mr. Gabriel Juan Escarrer Jaume	Hoteles Mallorquines Consolidados, S.L.	Director	YES
Mr. Gabriel Juan Escarrer Jaume	Hoteles Mallorquines, S.L.	Director	NO
Mr. Gabriel Juan Escarrer Jaume	Morela Inversiones 2018, S.L.	Director	NO
Mr. Gabriel Juan Escarrer Jaume	Tatry Inversiones 2018, S.L.	Director	YES
Mr. Gabriel Juan Escarrer Jaume	Malina Inversiones 2018, S.L.	Director	YES
Mr. Gabriel Juan Escarrer Jaume	Tulipa Inversiones 2018, S.A.	Director	NO
Mr. Gabriel Juan Escarrer Jaume	Warta Inversiones 2018, S.L.	Director	NO
Mr. Gabriel Juan Escarrer Jaume	Allau Inversiones 2018, S.L.	Director	YES
Mr. Gabriel Juan Escarrer Jaume	Consultora Insular MCA, S.L.	Sole Administrator	NO
Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	Almacenes Torres y Sáez, S.A.	Director	YES

Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	Luckia Gaming Group, S.A.	Director	YES
Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	Tierras de Curtis, S.L.	Joint and several administrator	NO
Mr. Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)	COPCISA Corp, S.L.	Director	YES
Mr. Fernando D'Ornellas Silva	Prosegur Compañía de Seguridad, S.A.	Independent Director	YES
Mr. Fernando D'Ornellas Silva	Tuman Asesores, S.L.U.	Sole Administrator	NO
Ms Carina Szpilka Lázaro	Abanca Corporación Bancaria, S.A.	Independent Director, Member of the Auditing Committee, Chairwoman of the Remuneration Committee	YES
Ms Carina Szpilka Lázaro	Grifols, S.A.	Independent Director, Coordinating Director	YES
Ms Carina Szpilka Lázaro	Kanoar Ventures SGEIC, S.A.	Director, Chairwoman	NO
Ms Carina Szpilka Lázaro	Karvela Holdk S.L.	Director, Chairwoman	NO
Ms Carina Szpilka Lázaro	Ananda Ventures, S.L.	Sole Administrator	NO
Ms María Montserrat Trapé Viladomat	Criteria Caixa, S.A.U.	Independent Director	YES
Ms María Montserrat Trapé Viladomat	Grupade, S.L.	Sole Administrator	YES
Ms María Montserrat Trapé Viladomat	Gabesade, S.L.	Sole Administrator	NO

Mr. Francisco Javier Campo García	Caixabank S.A.	Director Chairman of the Auditing Committee Member of the Appointments Committee Member of the Technology and Innovation Committee	YES
Ms María Cristina Henríquez de Luna Basagoiti	Applus Services, S.A.	Independent Director, Member of the Auditing and Compliance Committee	YES
Ms María Cristina Henríquez de Luna Basagoiti	Viscofan, S.A.	Independent Director, Member of the Auditing Committee	YES
Ms María Cristina Henríquez de Luna Basagoiti	GlaxoSmithKline, S.A.	Chairwoman, Chief Executive Director	YES
Ms María Cristina Henríquez de Luna Basagoiti	Glaxo, S.A.	Chairwoman, Chief Executive Director	YES
Ms María Cristina Henríquez de Luna Basagoiti	SmithKline Beecham Farma, S.A.	Chairwoman, Chief Executive Director	YES
Ms María Cristina Henríquez de Luna Basagoiti	Desarrollo Energía Solar Alternativa, S.L.	Joint and Several Administrator	NO
Ms María Cristina Henríquez de Luna Basagoiti	Fundación de Ciencias de la Salud	Vice Chairwoman	NO
Ms María Cristina Henríquez de Luna Basagoiti	Fundación España Salud	Vice Chairwoman	NO
Ms María Cristina Henríquez de Luna Basagoiti	Farmaindustria	Vice Chairwoman, Member of the Governing Board and the Management Board	NO
Ms María Cristina Henríquez de Luna Basagoiti	Fundación SERES Empresa Responsable	Member of the Executive Committee	NO

Remarks

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identification of director or representative	Other remunerated activities
Mr. Luis María Díaz de Bustamante y Terminel	Practising lawyer
Mr. Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)	Economist
Mr. Fernando D'Ornellas Silva	Senior Advisor at Lazard Asesores Financieros
Mr. Fernando D'Ornellas Silva	Senior Advisor at Mitsubishi España
Mr. Fernando D'Ornellas Silva	Member of the Advisory Board at Fertiberia
Mr. Fernando D'Ornellas Silva	Advisor at Triton Partners
Ms María Montserrat Trapé Viladomat	Teaching
Mr. Francisco Javier Campo García	Senior Advisor at Grupo de Alimentación Palacios
Mr. Francisco Javier Campo García	Senior Advisor at Pastas Gallo
Mr. Francisco Javier Campo García	Senior Advisor at Kearney
Ms Cristina Aldámiz-Echevarría González de Durana	Manager of Finance and Corporate Development at Grupo ACS (Actividades de Construcción y Servicios, S.A.)

Remarks

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

YES

NO

Explanation of the rules and identification of the document where this is regulated
In the amendment to the 2021 Regulations of the Board the following limitation was included in Article 6 (Qualitative Composition): "Any persons who hold the office of director simultaneously in more than four (4) listed companies which shares are admitted to trading on domestic or foreign markets cannot be Directors."

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	2250
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	0
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	304
Funds accumulated by former directors for long-term savings systems (thousands of euros)	0

Remarks
The details of the remuneration of the Board of Directors are available in the Annual Report on the Remuneration of Directors.

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position/s
Mr. Gabriel Cánaves Picornell	Chief Human Resources Officer
Mr. Jose Luis Alcina Jaume	Internal Audit VP
Ms Pilar Dols Company	Chief Financial Officer
Mr. Juan Ignacio Pardo García	Chief Legal & Compliance Officer
Mr. André Philippe Gerondeau	Chief Operating Officer
Mr. Mark Maurice Hoddinott	Chief Real Estate Officer

Number of women in senior management	1
Percentage of total senior management	16.70%

Total remuneration of senior management (thousands of euros)	2873
--	------

Remarks

C.1.15 Indicate whether the Regulations of the Board were amended during the year:

YES

NO

Description of change(s)
<p>In 2022, the Board of Directors of the Company, in accordance with article 528 of the Spanish Corporate Enterprises Act and articles 3 and 4 of the Regulations of the Board of Directors, has amended Articles 5, 9, 10, 11, 12, 13, 14, 15, 16a, 17, 24, 27, 31 and 32 of the Regulations of the Board of Directors in order to introduce certain recommendations on corporate good governance.</p> <p>This amendment was approved by the Board of Directors at its meeting held on 16 June 2022, and subsequently was registered with the Commercial Registry of Mallorca.</p> <p>The new wording of the Regulations of the Board of Directors is as follows:</p> <p>Regulations of the Board of Directors</p>

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

Pursuant to Article 15 of the Regulations of the Board of Directors, the Appointments, Remuneration and Sustainability Committee must define and review the criteria to be followed for the composition of the Board of Directors and the selection of candidates, proposing to the Board, as appropriate, the appointment of independent directors as well as reporting proposals for other directors so that the Board may proceed with the appointment (in case of co-option) or submit the proposals to the General Shareholders' Meeting for decision.

Directors are appointed for a period of four years and may be re-elected once or several times for periods of the same duration.

In case of removal of directors, the procedures provided for in current legislation as well as in the Company Bylaws, are followed.

The criteria applied by the Company in each procedure are described in the Director Selection and Diversity Policy approved by the Board of Directors on 26 November 2020, and which is available on the company's website through the following link:

[Director Selection and Diversity Policy](#)

C.1.17 Explain to what extent the annual assessment of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of change(s)
<p>As a result of the self-assessment process of the Board carried out in 2022 (in relation to 2021), which had very positive results as a whole, the Board of Directors has carried out a training plan on sustainability, cyber security and non-financial risks.</p>

Describe the assessment process and the areas assessed by the Board of Directors with the help, if any, of an external advisor, regarding the operation and composition of the Board and its committees and any other area or aspect that has been assessed.

Description of the assessment process and the assessed areas

The assessment for 2022 was conducted by completion of the relevant assessment questionnaires by the Directors.

Regarding the recommendation number 36 of the Good Governance Code of Listed Companies, which states that an external advisor should be engaged at least every three years to aid in the assessment process, the Committee has been advised and assisted by the firm PriceWaterHouseCoopers (PWC).

PWC assisted the Committee in the review and update of the assessment forms, in which certain improvements have been introduced in line with the applicable recommendations and the best market practices in this field.

The structure of the questionnaire, which has been also amended in the framework of the mentioned assistance, comprises the following sections:

1. Section I: Quality and efficiency of the functioning of the Board
 - 1.1 Quality and efficiency of the functioning
 - 1.2 Agenda
 - 1.3 On the performance of the non-delegable and/or basic functions of the following bodies
 - 1.4 Agenda of the Board
 - 1.5 Connection with the Senior Management
2. Section II: Size, composition and remuneration of the Board and the Committees.
 - 2.1 Size, composition and diversity
 - 2.2 Remuneration of the Board
 - 2.3 Training
3. Section III: Performance of the Chairman of the Board, of the Coordinating Director and of the Chairmen of the Committees
 - 3.1 Chairman of the Board of Directors
 - 3.2 Coordinating Director
 - 3.3 Chairman of the Auditing and Compliance Committee
 - 3.4 Chairman of the Appointments, Remuneration and Sustainability Committee
4. Section IV: Committees of the Board
 - 4.1 General issues
 - 4.2 Auditing and Compliance Committee
 - 4.3 Appointments, Remuneration and Sustainability Committee
5. Section IV: Final assessment and remarks

C.1.18 Provide details, for years in which the assessment was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

In 2022, the firm PriceWaterHouseCoopers (PWC) has assisted the Company in the review of the questionnaires for the assessment process of the Board of Directors, the specialised Committees and the Top Executive of the Company.

The total sum invoiced by PWC to the Group for other services amounts to EUR 259,829.31 (excluding VAT).

The said amount relates to the provision of the following services:

- Tax advice
- Legal advice
- Consultancy

C.1.19 Indicate the cases in which directors are obliged to resign.

Chapter VIII of the Regulations of the Board of Directors regulates the duties of Directors, which include the obligation to act with the diligence of an organised businessperson and a loyal representative, and in accordance with any other legally required standard of diligence.

In particular, Article 29 of the Regulations of the Board establishes that Directors must observe all regulations on behaviour established in stock market legislation and, particularly, those contained in the Internal Code of Conduct.

Therefore, failure to comply with any of these duties and obligations would be grounds for resignation or removal, as the case may be, of a Director.

Likewise, Article 31.2 of the Regulations of the Board expressly states that: *“Directors must also inform the Company about all of the positions held and activities carried out in other companies or entities that may be relevant to their performance as Directors of the Company. In particular, they should inform and, if appropriate, resign in those cases which may damage the credit and reputation of the Company and shall in any event inform the criminal cases in which they appear as being investigated, and their subsequent trial.*

The Board of Directors, after being informed or otherwise knowing the situations mentioned in the above paragraph, shall examine as soon as possible and, depending on the circumstances, shall decide, prior report of the Appointments, Remuneration and Corporate Social Responsibility Committee, whether or not to adopt any measures, including but not limited to the opening of an internal investigation, requesting the resignation of the Director or proposing his/her dismissal to the General Shareholders’ Meeting. This shall be reported on the Annual Corporate Governance Report, unless there are exceptional circumstances to justify this, which must be recorded. This is without prejudice to the information to be disseminated by the Company, if appropriate, at the time of adoption of the relevant measures.”

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

YES NO

If so, describe the differences.

Description of differences

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

YES NO

Description of requirements
<p>Pursuant to Article 33.2 of the Company Bylaws, in order for a Director to be appointed as Chairman or Vice Chairman of the Board of Directors, at least one of the following conditions must be met:</p> <p>(a) to have formed part of the Board of Directors during at least the THREE (3) years prior to said designation; or,</p> <p>(b) to have previously occupied the position of Chairman of the Board of Directors, regardless of the period of time spent as a Director.</p> <p>Neither of the previous conditions will be required to be met whenever the designated Director is supported by SEVENTY-FIVE PERCENT (75%) or more of the members of the Board of Directors.</p> <p>Likewise, re-election as a Director of members of the Board that are currently Chairman and Vice Chairman and, if appropriate, Coordinating Director if he meets the legal requirements, will imply their automatic continuity in those positions.</p>

C.1.22 Indicate whether the Bylaws or Regulations of the Board establish any limit as to the age of directors:

YES NO

	Age limit
Chairman	
Chief Executive Officer	
Director	

Remarks
<p>The Company's Director Selection and Diversity Policy establishes as an objective criterion to be considered in the event of a new appointment or re-election, the need for a progressive renewal of the Board, assessing the average age and seniority within the Board.</p>

C.1.23 Indicate whether the Bylaws or the Regulations of the Board establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

YES NO

Additional requirements and/or maximum number of years of office

C.1.24 Indicate whether the Bylaws or the Regulations of the Board establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Remarks
According to Article 18.3 of the Regulations of the Board, representation by proxy must be conferred in writing and specifically for each meeting by means of a letter addressed to the Chairman, including the appropriate instructions, and must be granted to another member of the Board. External Independent Directors may only be represented by another External Independent Director. There is no fixed maximum number of proxies.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of Board meetings	6
Number of Board meetings held without the Chairman's presence	3

Remarks
The Chairman of the Board (Mr. Gabriel Escarrer Juliá) did not attend three meetings of the Board of Directors, having previously conferred the corresponding representation by proxy and instructions at one of these meetings.

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings
0

Remarks
The Coordinating Director (Mr. Fernando D'Ornellas) is also Chairman of the Appointments, Remuneration and Sustainability Committee, and a member of the Auditing and Compliance Committee.
The only Executive Director of the Company (Mr. Gabriel Escarrer Jaume) is not a member of these committees, although he attends the Auditing and Compliance Committee as a guest.

Indicate the number of meetings held by each Board committee during the year:

Committee	No. of meetings
Number of meetings held by the Auditing and Compliance Committee	8
Number of meetings held by the Appointments, Remuneration and Sustainability Committee	8

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data

Number of meetings at which at least 80% of the directors were present in person	6
Attendance in person as a % of total votes during the year	95%
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	4
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	97%

Remarks
The Chairman of the Board (Mr. Gabriel Escarrer Juliá) did not attend three meetings of the Board of Directors, having previously conferred the corresponding representation by proxy and instructions at one of these meetings.

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance.

YES

NO

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
Ms Pilar Dols Company	Chief Financial Officer
Mr. Gabriel Juan Escarrer Jaume	Vice Chairman and CEO

Remarks

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

According to the provisions of Article 14 of the Regulations of the Board, the Auditing and Compliance Committee is responsible for:

(c) *Supervision of financial and non-financial information:*

- *To supervise and assess the preparation and presentation of the financial and non-financial mandatory information process and submit to the Board of Directors recommendations or proposals aimed at safeguarding its integrity.*
- *To review the appointment or replacement of those responsible for the financial and non-financial reporting processes, internal control systems of the company and risk management.* • *To ensure that the financial and non-financial information provided to the markets is produced in line with the same principles, criteria and professional practises used to produce the Annual Accounts.*
- *To review the Company's annual accounts (including Corporate Governance Annual Report) and oversee compliance with legal requirements and the appropriate application of generally accepted accounting principles, receiving the direct cooperation of both internal and external auditors.*
- *To inform the Board of Directors about the related financial and non-financial information that the Company must periodically make public, ensuring the clarity, veracity and integrity thereof.*
- *To verify and coordinate the process of reporting non-financial information, in accordance with the applicable regulations and international reference standards, without prejudice to the specifically entrusted functions and the work to be carried out in this regard by the Appointments, Remuneration and Corporate Social Responsibility Committee on this matter.*

In the performance of the said function, the Committee holds several meetings with the auditors throughout the year in order to analyse the performance of their work and to detect and resolve any incidents affecting the annual accounts.

Likewise, Article 35.3 of the Board Regulations establishes that "*The Board of Directors shall take the necessary measures to ensure that the six-monthly, quarterly and any other financial information to be communicated to the markets is prepared according to the same principles, criteria and professional practices with which the Annual Accounts are prepared, and that they are as reliable as the latter.*"

It is worth mentioning that the annual accounts (individual and consolidated) for 2022 have been prepared without exceptions.

C.1.29 Is the secretary of the Board also a director?

YES

NO

If the Secretary is not a director, complete the following table:

Name or company name of the secretary	Representative

Remarks

Without prejudice to that indicated in this question, the Company also has a Non-Director Vice Secretary.

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms, if any, to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

The functions and responsibilities of the Auditing and Compliance Committee include liaising with the external auditors in order to be informed of any issues that may jeopardize their independence.

In fact, there is a direct relationship between the members of the Committee and the external auditors, with the latter attending in person the meetings held by this Committee. In general, the Directors who are members of the Auditing and Compliance Committee meet with the external auditors without the presence of executives and the CEO at each meeting of the said Committee.

The functions entrusted to the Auditing Committee include "Issuing annually, prior to the issuance of the Auditors' Report, a report expressing an opinion on the independence of the Auditors, in accordance with the Law". Likewise, in the amendment to the Regulations of the Board carried out in 2022, the function of "Ensuring that the Company and the external auditor observe the current legislation on provision of non-audit services, the limits of the concentration of the auditor's business and, in general, the other regulations on the independence of the auditors" was added.

In this sense, in 2022, the Auditing and Compliance Committee reviewed and updated the audit and non-audit services approval process, and established that any non-audit service that is not pre-approved, must be approved by the Auditing and Compliance Committee.

Regarding mechanisms to ensure the independence of financial analysts, investment banks and rating agencies, it should be noted that, in accordance with the provisions of the Policy for Communication and Relationship with Shareholders, Investors and Proxy Advisors and Corporate Communication, the company provides information to any analyst that may request it, without discrimination and offering maximum transparency. In the information exchange process, influencing the opinions or views of analysts is avoided at all times.

In particular, it is established that the Company may exchange information on an individual basis with the institutional investors that are part of the shareholding, without in any case entailing the delivery to them of any information that could provide them with a privileged or advantageous situation with respect to the other shareholders. Likewise, Article 34.4 of the Regulations of the Board of Directors also establishes that under no circumstances shall any information that could provide them with a privileged or advantageous situation with respect to the other shareholders, be delivered to the financial analysts.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

YES NO

Outgoing auditor	Incoming auditor

Remarks

If there were any disagreements with the outgoing auditor, explain their content:

YES NO

Explanation of disagreements

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

YES NO

	Company	Group Companies	Total
Amount invoiced for non-audit work (thousands of euros)	287	40	327
Amount invoiced for non-audit work/Amount for audit work (in %)	63%	4%	23%
Remarks			

C.1.33 Indicate whether the auditors' report on the annual accounts for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the General Meeting by the chairman of the auditing committee to explain the content and extent of the qualified opinion or reservations.

YES NO

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the General Meeting was called in relation to this matter

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company’s individual and/or consolidated annual accounts. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the annual accounts have been audited:

	Individual	Consolidated
Number of consecutive years	4	4

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	15.3%	15.3%

Remarks
The Company audits its individual and consolidated annual accounts since 1996.

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

YES

NO

Details of the procedure
<p>Although Article 17 of the Regulations of the Board provides that meetings shall be convened at least five (5) days before they are held and the call to the meeting shall include the agenda for the session along with a summary of all relevant information duly prepared, unless there are exceptional circumstances, the information is made available to Directors eight (8) days before the meeting is held. The Company has implemented a digital tool by means of which Directors are provided with all the support information of the meetings of the Board and the Committees.</p> <p>Additionally, Article 22 of the Regulations of the Board establishes that Directors have the broadest powers to have access to information on any aspect of the Company, to examine its books, records and documents and other evidence of the company’s transactions and to inspect all its facilities.</p> <p>Exercise of the rights to access such information shall be channelled through the Chairman or the Secretary of the Board of Directors, who will respond to the requests of the director by providing him/her with the information directly, offering appropriate interlocutors at the appropriate level in the organisation or establishing such measures so as to enable him/her to conduct the planned examinations in situ.</p>

C.1.36 Indicate whether the company has established rules obliging directors to inform of any circumstances, whether or not related to their actions in the company itself, that might harm the company’s standing and reputation, tendering their resignation where appropriate:

YES NO

If so, provide details:

Article 31.2 of the Regulations of the Board expressly establishes that directors should inform and, if appropriate, resign in those cases which may damage the credit and reputation of the company and shall in any event inform the criminal cases in which they appear as being investigated, and their subsequent trial, and the Board of Directors must examine the case as soon as possible and decide, in consideration of the specific circumstances, (prior report of the Appointments, Remuneration and Sustainability Committee) whether or not to adopt any measure such as, inter alia, the opening of an internal enquiry, requesting the resignation of the Director or proposing his/her dismissal to the General Shareholders’ Meeting. This shall be reported on the Annual Corporate Governance Report, unless there are exceptional circumstances to justify this, which must be recorded. This is without prejudice to the information to be disseminated by the Company, if appropriate, at the time of adoption of the relevant measures.

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company’s standing and reputation:

YES NO

Director’s name	Nature of the situation	Remarks

In the aforementioned circumstances, indicate whether the Board of Directors has examined the case. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal enquiry, requesting the director’s resignation or proposing his or her dismissal.

Indicate also whether the Board decision was backed up by a report from the appointments committee.

YES NO

Decision/action taken	Reasoned explanation

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

--

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Beneficiary: Chief Executive Officer

Description of the agreement: In 2015, the Chief Executive Officer signed a Services Agreement with the Company pursuant to article 249 of the Spanish Corporate Enterprises Act, which has been recently amended to adapt it to the new recommendations of the Good Governance Code of Listed Companies of the CNMV. In particular, on 25 November 2021 the clause regarding compensations was amended in order to adapt it to the recommendation number 64 of the Good Governance Code.

In this sense, the agreement establishes as follows:

- **Non-competition after termination covenant** applicable for one year, 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 the amounts received in relation thereto and compensate the Company in an amount equivalent to 150% of the same amount.

- **Termination of the agreement:** The cases provided for by the Corporate Enterprises Act shall be cause for dismissal of the Executive Director, in which case he must relinquish his seat on the Board and, if appropriate, formalise his immediate dismissal from office.
- **Compensations:** Director must be compensated with an amount equivalent to:
 - One year's annual fixed remuneration for the current year.
 - Short-term variable remuneration - the amount to be included will be that corresponding to the percentage of the fixed remuneration established for the current year, over the amount effectively accrued at the time of termination.

This compensation will accrue in the following cases:

- 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 obligation to perform his duties with loyalty, diligence, good faith or any other legally binding requirement applicable to the exercise of his duties.

Likewise, in observance of the recommendations of the Good Governance Code of Listed Companies of the CNMV, in 2019 the aforementioned Services Agreement was amended to include a clawback clause, and in 2021, a malus clause was also included as a mechanism for monitoring variable remuneration.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Shareholders' Meeting
Body authorising the clauses	Yes	No

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?	X	

Remarks
The amendment of clauses is notified through the relevant Directors' Remuneration Report which is submitted to the General Shareholders' Meeting for approval.

C.2 Committees of the Board of Directors:

C.2.1. Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

AUDITING AND COMPLIANCE COMMITTEE

Name	Position	Category
Mr. Francisco Javier Campo García	Chairman	External Independent Director
Ms Carina Szpilka Lázaro	Member	External Independent Director
Mr. Fernando D'Ornellas Silva	Member	External Independent Director
Ms María Cristina Henríquez de Luna Basagoiti	Member	External Independent Director

% of proprietary directors	0
% of independent directors	100%
% of other external directors	0

Remarks

Explain the functions delegated or assigned to this committee, including where applicable those that are additional to those prescribed by law, if any, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the Company Bylaws or in other corporate resolutions.

The functions assigned to the Auditing and Compliance Committee are regulated in Article 14 of the Regulations of the Board of Directors:

[Article 14 of the Regulations of the Board](#)

The procedures and rules for organisation and functioning of the Committee are regulated in Article 39a of the Company Bylaws and in the aforementioned Article 14 of the Regulations of the Board of Directors.

The activities carried out by the Auditing and Compliance Committee in 2022 are detailed in the Committee's activity report, published on the corporate website of Meliá Hotels International:

[Activity Report of the Auditing and Compliance Committee](#)

Regarding the details of the more important actions during this year in relation to the functions assigned to the Committee, it is worth mentioning the Committee's focus on the transformation of the internal audit function and the follow-up of the audit plan for this year.

Regarding the other the functions assigned to the Committee, the most important ones are indicated below, following the classification established in Article 14 of the Regulations of the Board:

Relationship with the external auditor: In 2022, the process for approval of audit and non-audit services has been updated, with the approval of non-audit services being more restrictive. Likewise, during this year, Deloitte, S.L. has been re-appointed as auditor of the individual and consolidated annual accounts for 2022.

Monitoring of the effectiveness of the Company’s internal control and risk management systems: The Committee has been informed of, inter alia, the result of the updating of the company’s Risk Map, and of the Crime Prevention Protocol.

Monitoring of financial and non-financial information: The process for preparing and submitting the mandatory financial and non-financial information to the Board of Directors, the recommendations and proposals aimed at safeguarding its integrity and review of the company annual accounts (including the Corporate Governance Annual Report) and the monitoring of compliance with legal requirements and the appropriate application of generally accepted accounting principles have been monitored and assessed.

General Shareholders’ Meeting: During the General Shareholders’ Meeting for 2022, the Chairman of the Auditing Committee, Mr. Francisco Javier Campo, informed the shareholders of the audit results, as well as of the main functions and progress made by the Committee during the year.

Identify the directors who are members of the auditing committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairman of this committee was appointed.

Names of the directors with experience	Mr. Francisco Javier Campo García, Ms Carina Szpilka Lázaro, Mr. Fernando D’Ornellas Silva; and Ms María Cristina Henríquez de Luna Basagoiti
Date of appointment of the chairman	26 February 2020

Remarks
According to the recommendations of the Good Governance Code of Listed Companies, as well as the Technical Guide 3/2017 of the CNMV, all members of the Auditing and Compliance Committee have been appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial, as indicated in the Board’s competency matrix.

APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE

Name	Position	Category
Mr. Fernando D'Ornellas Silva	Chairman	External Independent Director
Mr. Luis María Díaz de Bustamante y Terminel	Member	External Proprietary Director
Mr. Francisco Javier Campo García	Member	External Independent Director
Ms Carina Szpilka Lázaro	Member	External Independent Director

% of proprietary directors	25%
% of independent directors	75%
% of other external directors	0%

Remarks

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the Company Bylaws or in other corporate resolutions.

The functions attributed to the Appointments, Remuneration and Sustainability Committee are regulated in Article 15 of the Regulations of the Board of Directors:

[Article 15 of the Regulations of the Board](#)

The procedures and rules for organisation and functioning of the Committee are regulated in Article 39b of the Company Bylaws and in the aforementioned Article 15 of the Regulations of the Board of Directors.

The activities carried out by the Appointments, Remuneration and Sustainability Committee in 2022 are detailed in the Committee's activity report, published on the corporate website of Meliá Hotels International.

[Activity Report of the Appointments, Remuneration and Sustainability Committee](#)

Regarding the details of the more important actions during this year in relation to the functions assigned to the Committee, it is worth mentioning the Committee's focus on

appointments and re-elections, because during this year several changes to the composition of the Board took place.

In terms of remuneration, it is worth mentioning the Committee's regularly monitoring of the measures adopted regarding the CEO's remuneration (analysis and determination of variable remuneration), and the preparation of the proposal for long-term variable remuneration referenced to the share price which was submitted to the 2022 General Shareholders' Meeting for approval. Also, the increasing commitment of the Committee in terms of sustainability stands out.

Regarding the other functions assigned to the Committee, the most important ones are indicated below, following the classification established in Article 15 of the Board Regulations:

Assessment and selection of directors and senior executives: In addition to the preparation of the proposals for the re-election and appointment of directors to be submitted to the vote of the General Meeting or the proposal for appointment of Ms Montserrat Trapé Viladomat as the new independent director, it is worth mentioning the review by the Committee of the Board's competency matrix.

Remuneration Policy: In 2022, the Committee has applied the 2022-2024 Remuneration Policy, setting and establishing the short- and long-term objectives of the variable remuneration of the Chief Executive Officer.

Assessment of the Board of Directors and its specialised committees: The Committee has reviewed and updated the annual self-assessment questionnaire of the Board and the Chief Executive Officer incorporating certain improvements in line with the applicable recommendations and the best market practices in this area, with the support of an independent expert (PWC).

Sustainability: In addition to the review of certain matters of the non-financial information statement, it is worth mentioning the monitoring of sustainability objectives (commitments regarding the Carbon Footprint, environment and Modern Slavery).

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	Year 2022	Year 2021	Year 2020	Year 2019
Auditing and Compliance Committee	2 (50%)	2 (50%)	2 (40%)	1 (20%)
Appointments, Remuneration and Sustainability Committee	1 (25%)	2 (40%)	2 (40%)	1 (25%)

Remarks

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

Auditing and Compliance Committee

The composition, functions and rules indicating how the Auditing and Compliance Committee of Meliá Hotels International, S.A. is to act, are regulated in article 39a of the Company Bylaws and article 14 of the Regulations of the Board of Directors. All this without prejudice to the provisions of the Corporate Enterprises Act and other applicable regulations.

The Auditing and Compliance Committee annually prepares its activity report, which is published on the corporate website.

[Activity Report of the Auditing and Compliance Committee](#)

Appointments, Remuneration and Sustainability Committee

The composition, functions and rules indicating how the Appointments, Remuneration and Sustainability Committee of Meliá Hotels International, S.A. is to act, are regulated in Articles 39b of the Company Bylaws and article 15 of the Regulations of the Board of Directors. All this without prejudice to the provisions of the Corporate Enterprises Act and other applicable regulations.

The Appointments, Remuneration and Sustainability Committee annually prepares its activity report, which is published on the corporate website.

[Activity Report of the Appointments, Remuneration and Sustainability Committee](#)

Both the Company Bylaws and the Regulations of the Board of Directors are available on the corporate website of Meliá Hotels International, S.A.

[Company Bylaws](#)

[Regulations of the Board of Directors](#)

At the meeting of the Board of Directors held on 16 June 2022, at the proposal of the Auditing and Compliance Committee, it was unanimously approved to amend the Regulations of the Board of Directors in order to include certain recommendations on good corporate governance. In particular, articles 14 and 15 were amended and included, inter alia, the following changes:

Article 14 (Auditing and Compliance Committee)

- Inclusion of references to international profiles with knowledge and expertise in the area of information technologies, all this in relation to the non-financial risk management competency.
- Inclusion of the competency on the monitoring of the provision of non-audit services, the limits of concentration of the auditor's business and, in general, the other regulations on the independence of the auditors.
- Inclusion of competencies in terms of related transactions following the last reform of the Spanish Corporate Enterprises Act (2021) in order that the Auditing and Compliance Committee, after the corresponding delegation by the Board of Directors, may analyse and, where appropriate, approve certain related transactions.

Article 15 (Appointments, Remuneration and Sustainability Committee)

- Inclusion of the competency regarding proposal for appointment of the Coordinating Director.
- Inclusion of the competency regarding the report on the proposals for appointment of the non-director secretary.
- In relation to the assessment process of the Board of Directors and the Top Executive, inclusion of the competency on the submission of proposals for action plans or recommendations to address the deficiencies found, if any.

D. Related Party and Intragroup Transactions

D.1 Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the Company in relation to those related-party transactions whose approval has been delegated by the Board of Directors.

In 2022, the Regulations of the Board as well as the Company Bylaws have been amended in order to include changes to the related transactions regime following the last amendment of the Spanish Corporate Enterprises Act.

In this sense, the new Article 32.1, establishes that the Board of Directors must be aware of and authorise the related transactions, as defined by Law, without prejudice to the powers for the approval of transactions falling under the competence of the General Shareholders' Meeting and the delegations made by the Board to the Auditing and Compliance Committee for the approval of certain related transactions according to the terms established in the Law.

In relation to these delegations, the Board of Directors may delegate to the Auditing and Compliance Committee the approval of the following transactions:

- Transactions between Group companies carried out in the normal course of business and under market conditions.
- Transactions that simultaneously comply with the following three conditions:
 - They are carried out under standardised agreements that are applied en masse to a large number of clients;
 - They are conducted at prices or rates generally set by the party acting as supplier of the goods or services in question; and
 - The amount thereof does not exceed 0.5% of the net turnover, according to the latest consolidated annual accounts approved by the General Shareholders' Meeting.

For the approval of these transactions, the prior report of the Auditing and Compliance Committee is not required.

The Board shall also ensure compliance with legal and information requirements and transparency that the Company must observe regarding the communication of such transactions. Said regime is complemented with the provisions of the Spanish Corporate Enterprises Act.

D.2 Give individual details of transactions that are significant due to their amount or of importance due to their subject matter carried out between the Company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the Board of Directors of the Company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the competent body was the General Shareholders' Meeting, indicate if the proposed resolution has been approved by the Board without the vote against of the majority of the independent directors:

Name or company name of shareholder or any of its subsidiaries	% Shareholding	Name or company name of the company or the subsidiary	Nature of the relationship	Type of transaction and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the General Shareholders' Meeting, if applicable, has been approved by the Board without a vote against of the majority of the independent directors
Tulipa Inversiones 2018, S.A.	5.387%	Meliá Hotels International, S.A.	Contractual	Receipt of services	317.8	Auditing and Compliance Committee	N/A	N/A
Tulipa Inversiones 2018, S.A.	5.387%	Inversiones Hoteleras La Jaquita, S.A.	Contractual	Receipt of services	8.3	Auditing and Compliance Committee	N/A	N/A
Tulipa Inversiones 2018, S.A.	5.387%	Colón Verona, S.A.	Contractual	Receipt of services	22.5	Auditing and Compliance Committee	N/A	N/A
Tulipa Inversiones 2018, S.A.	5.387%	Lomondo Ltd.	Contractual	Receipt of services	196.1	Auditing and Compliance Committee	N/A	N/A
Tulipa Inversiones 2018, S.A.	5.387%	Inversiones Areito, SAS	Contractual	Receipt of services	236.8	Auditing and Compliance Committee	N/A	N/A
Tulipa Inversiones 2018, S.A.	5.387%	Sol Melia Italia, S.R.L.	Contractual	Receipt of services	149.5	Auditing and Compliance Committee	N/A	N/A

Tulipa Inversiones 2018, S.A.	5.387%	Operadora Mesol, S.A. de C.V.	Contractual	Receipt of services	30	Auditing and Compliance Committee	N/A	N/A
Tulipa Inversiones 2018, S.A.	5.387%	Hotel Colbert, S.A.S.	Contractual	Receipt of services	52.2	Auditing and Compliance Committee	N/A	N/A
Tulipa Inversiones 2018, S.A.	5.387%	Sol Melia Deutschland	Contractual	Receipt of services	44.3	Auditing and Compliance Committee	N/A	N/A
Tulipa Inversiones 2018, S.A.	5.387%	Desarrollos Sol, S.A.S.	Contractual	Lease of services	183.9	Auditing and Compliance Committee	N/A	N/A

Remarks

The transactions detailed in this section relate to the procurement of several services by Group Companies with companies owned by Mr. Álvaro Sans, who has a family relationship with Mr. Gabriel Escarrer Juliá, significant indirect shareholder of the Company through Tulipa Inversiones 2018, S.A., and also Chairman of the Board of Directors.

D.3. Give individual details of the transactions that are significant due to their amount or relevant due to their subject matter carried out by the Company or its subsidiaries with the administrators or managers of the Company, including those transactions carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the competent body was the General Shareholders’ Meeting, indicate if the proposed resolution has been approved by the Board without the vote against of the majority of the independent directors:

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or the subsidiary	Relationship	Nature of the transaction and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identification of the shareholder or director who abstained	The proposal to the General Shareholders’ Meeting, if applicable, has been approved by the Board without a vote against of the majority of the
---	---	--------------	--	-----------------------------	----------------	---	--

							independent directors

Remarks

D.4 Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the Company with its parent company or with other entities belonging to the parent’s Group, including subsidiaries of the listed Company, except where no other related party of the listed Company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed Company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the Group	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
Sol Melia Funding	Transfer of the customer portfolio of the American companies within the vacation club segment to Sol Meliá Funding for their management.	38
Sol Melia Funding	Amendment to the inter-group loan with the parent company, in accordance with the centralised treasury management policy.	-54

Remarks

D.5 Give individual details of the transactions that are significant due to their amount or relevant due to their subject matter carried out by the Company or its subsidiaries with other related parties pursuant to the International Accounting Standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)

Remarks

D.6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other related parties.

Pursuant to Article 28 of the Regulations of the Board, Directors must inform the Company of any direct or indirect potential conflict of interest that they could have with the Company.

Likewise, the Appointments, Remuneration and Sustainability Committee, pursuant to the provisions of Article 15.2. of the Regulations of the Board of Directors, must inform the Board of Directors of transactions that involve or may involve conflicts of interest, proposing, where appropriate, the measures to be adopted.

In addition, the Internal Code of Conduct in the Securities Market also regulates certain aspects regarding conflicts of interest, establishing the following principles of action:

***Independence:** They must act at all times with freedom of opinion, loyalty to the Company and its Group, regardless of their own or others' interests. In consequence, they may not favour their own interests over those of the Company or its Group.

***Abstention:** They must abstain from interfering in or influencing decisions on matters affected by the conflict of interest.

***Confidentiality:** They must refrain from accessing confidential information that affects said conflict.

All of the above without prejudice to the provisions of the Corporate Enterprises Act.

D.7. Indicate whether the Company is controlled by another entity in the meaning of Article 42 of the Code of Commerce, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

YES NO

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

YES NO

Report covering the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

E. Risk Management and Control Systems

E.1 Explain the scope of the company's financial and non-financial Risk Management and Control System, including tax risk.

The model and methodology of Meliá's Risk Management have not changed compared to previous years and, therefore, continue to be based on the integrated framework of Enterprise Risk Management COSO II (Committee of Sponsoring Organizations of the Treadway Commission), and it is a model of continuous improvement, across the entire Company, which main stages are the following:

1. Identification of risks, including tax risks, through the collection and analysis of internal and external information.
2. Risk assessment in each of the business areas as well as in the different support units, prioritising the most relevant risks and obtaining the different maps.
3. Responses to the risks by assigning responsibilities for the most relevant risks and defining the actions that allow their management in an effective manner.
4. Monitoring and control through the indicators defined in this regard of the most relevant risks, the annual update of the risk maps, and the monitoring of the initiatives established for their mitigation.
5. Periodic and transparent communication of the results obtained to the Senior Management, the Auditing and Compliance Committee and the Board of Directors, which serves as feedback to the system so that continuous improvement in the process is obtained.

The management team identifies the risks that affect the Group's objectives and strategy (Stage 1), and assesses them based on variables of occurrence probability and impact in the event of materialisation (Stage 2), according to standardised quantitative and qualitative scales, which guarantees uniform criteria to carry out the assessment.

As a result of these two first stages of the process, the Group's Risk Map is obtained through the consolidation of Individual Risk Maps of the various Departments and Business Areas.

Additionally, and as part of the model, the Group's Tax Risk Map is obtained and updated annually through the system.

The Risk Control Policy and the Internal Regulation implementing it are the foundations on which the administration of risk management and control is built. These documents have not been modified compared to the previous year, and both were updated in 2020 and approved by the Board of Directors (the Policy) and by the Auditing and Compliance Committee (the Regulation).

The Policy is applied globally and establishes the basic principles governing risk management, as well as the general framework of action for the control, analysis and assessment of risks, including tax risks. These basic principles are as follows:

- a. To promote an appropriate internal environment and risk awareness culture.
- b. To adapt the strategy to the risks that have been identified.
- c. To ensure an appropriate degree of independence between the areas responsible for risk management (and their elimination or mitigation), and the area responsible for risk control and analysis.
- d. To identify and assess the diversity of risks affecting the Group, ensuring their correct allocation.
- e. To ensure adequate management of the most relevant risks.
- f. To improve risk response processes and decisions.
- g. To facilitate comprehensive responses to multiple risks.

- h. To inform and communicate transparently and consistently to the organisation the risks the Group faces.
- i. To promote the Group's actions in line with the legislation in force, the Group's internal regulations and the Code of Ethics.

The Risk Control and Management Regulation implements the Policy, and aims at ensuring the correct and efficient operation of the Risk Control System by establishing the rules, guidelines and criteria to be observed in the process of updating the Risk Map within the Group. This internal Regulation also defines the basic responsibilities in terms of risk management of the governing bodies and the different areas of the organisation.

With regard to tax risks, Meliá Hotels International has a Tax Strategy Policy that was approved by the Board of Directors in 2018. The Tax Strategy is governed by the following principles:

- Regulatory compliance and responsible tax management.
- Cooperative relations with the administrations and risk control and management system.
- Tax efficiency, efficient defence of our tax positions and transparency.

This Tax Strategy is in turn developed by an Internal Tax Risk Control and Management Regulation.

The Risk Control Policy and the Tax Strategy Policy are available on the corporate website (<https://www.meliáhotelsinternational.com/es>).

E.2 Identify the bodies within the company responsible for preparing and executing the financial and non-financial Risk Management and Control System, including tax risk.

Another pillar on which the Company's Risk Control and Management rests is the existence of a structure of Governance Bodies with functions and responsibilities on this matter.

In this sense, the Board of Directors is ultimately responsible for the Risk Control and Management System, which has the non-delegable power, inter alia, of defining the risk control and management policy, including tax risks, and the monitoring of the internal reporting and control systems (Art. 5 of the Regulations of the Board of Directors).

In addition, the Auditing and Compliance Committee is entrusted with, among others, the monitoring of (Art. 14.2 of the Board Regulations):

- The effectiveness of the Company's Internal Control and Risk Management Systems.
- Financial and non-financial information.
- The Internal Audit, Risk and Compliance functions.
- The existence of a Crime Prevention and Detection Model.

On the other hand, the Executive Committee of the Company, inter alia, is responsible for developing and promoting control to improve the quality of corporate governance and risk management within the Group, ensuring that risk management is included in critical processes, defining the ownership of risks and carrying out an appropriate follow-up.

In addition, there exists a segregation and independence of functions in terms of risk control and management, which is based on the 3 Lines of Defence Model. Thus, and under the authority of the Governance Bodies (Board of Directors, Auditing and Compliance Committee, and Executive Committee), there are as follows:

- Business and Organisation Units as First Line of Defence.
- Risk Control & Compliance Department as Second Line of Defence.
- Internal Audit Department as Third Line of Defence.

The first line of defence, in addition to identifying and assessing the risks, is responsible for defining and implementing the measures that are necessary to manage the risks.

As a second line of defence, the Risk Control & Compliance Department is assigned control and analysis functions, including responsibility for risk management in the first line of defence, i.e. directly in each of the different Departments and Business Areas that make up the Group.

The Risk Control & Compliance Department, which reports directly to the Auditing and Compliance Committee (although it is integrated in the Legal & Compliance Department), is responsible for ensuring compliance with both the Policy and the Internal Regulations related to Risk Management and Compliance, therefore, it ensures the operation and development of the Group's risk management models and the Crime Prevention and Detection Protocol. It also coordinates the investment prioritisation process based on risk criteria.

The third line of defence is integrated by the Internal Audit Department, which ensures the proper functioning of the Risk Management System through the monitoring of the first and the second line of defence. This Department also reports directly to the Auditing and Compliance Committee.

Both departments, Risk Control & Compliance and Internal Audit, report to the Auditing and Compliance Committee on a recurring basis at each of its meetings, and present an Annual Report on their activities.

Other bodies/departments with responsibilities and/or functions related to risk management:

- **Committees:**

Name	Specific function in the area of Risk
Strategic Plan Monitoring Committee	As part of its mission, this committee monitors the results and degree of compliance with the strategic plan and the alignment with the Risk Map.
Development Committee	It is responsible for the preparation and approval of the risk analysis sheets for development projects.
Investment Committee	It ensures that part of the Group's annual resources is allocated to execute investments catalogued and prioritised based on risk criteria.

- **Departments:**

Name	Specific function in the area of Risk
Corporate Governance	It prepares and updates the Group's internal policies and regulations.
Tax	It coordinates and centralises the actions of control and management of tax risks. It reports periodically to the Executive Committee, Auditing and Compliance Committee and Risk Control regarding the assessment of tax risks and the validation of the controls established in this regard.
Credit and Insurance Management	It manages the credit risk and the contracting of insurance policies at corporate level to cover certain risks, always under the guidelines set forth in the Insurance Regulation.

Occupational Health	It has responsibilities in the area of Occupational Risk prevention.
Global Technical Services and Works	They identify and classify risks in the facilities based on criteria that subsequently and centrally allow the prioritisation of certain investments.

The company also has a Code of Ethics, Whistleblowing and Complaints channels (an internal one for employees and an external one for Stakeholders), and a set of internal Policies and Regulations as key tools in risk management. (Further information on the Code of Ethics and Whistleblowing and Complaints Channels is included in the Ethics and Integrity section of the Annual Report).

E.3 Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.

The type of risks identified has not changed compared to previous years, as shown in the following table:

Category	Definition
Global Risks	They go beyond the capacity for action of the Company itself and economic agents. Some examples are: <ul style="list-style-type: none"> - Geopolitical risks - Natural disasters or catastrophes - Pandemics or health crisis - Climate change
Financial Risks	Risks that make it difficult for the company to meet its financial commitments or make its assets liquid. For instance: <ul style="list-style-type: none"> - Liquidity - Credit - Exchange rate - Investment
Business Risks	These arise from changes in the variables inherent to the business, such as: <ul style="list-style-type: none"> - Strategy - Reputation - Market - Competition
Operational Risks	The result of possible deficiencies in internal processes. These are related to: <ul style="list-style-type: none"> - Operations - Customers - Human Resources - Equipment - Internal control and processes
Compliance Risks	Risks derived from changes to external and internal regulations, and/or from possible non-compliance therewith. Among others, they include: <ul style="list-style-type: none"> - Legal risks - Tax risks - Regulatory compliance risks (internal and external)
Information Risks	These are mainly caused by the inappropriate use, generation and disclosure of information. They are mainly related to:

	<ul style="list-style-type: none"> - Reporting - Internal and external communication
--	--

Annually, the catalogue of identified risks is reviewed and updated to ensure that it is adapted to the needs and different contexts, environments and regulatory frameworks in which the company operates.

As for the risks identified, it should be pointed out that the Company has the relevant insurance coverage, where appropriate, and has the necessary action protocols in place, aimed at protecting the safety and health of customers and employees, and ensuring the normal functioning of operations, as well as, if necessary, their protection and restarting.

Likewise, the Company has a set of internal policies and rules, and a Code of Ethics and a Whistleblowing and Complaints Channels as part of the tools to mitigate these risks. In particular, the Compliance Policy, approved by the Board of Directors and updated in 2021 (available on the corporate website), through which Meliá assumes the following commitments:

- To comply with national and international legislation and regulatory obligations, as well as its internal regulations.
- To ensure that internal regulations and actions by its executives and managers are based on ethical criteria in line with the Company's principles and values and its Code of Ethics.

Tax risks and those arising from corruption are included within some of the categories indicated in the table above, mainly within Operational or Compliance Risks. Regarding these risks, one of Meliá Hotels International's global commitments established in its Code of Ethics is to act with the greatest rigour and full force when faced with any situations involving corruption, fraud or bribery.

In this sense, the Group has available an Anti-corruption Policy approved by the Board of Directors and updated in November 2021 (available on the corporate website), the objective of which is to define the principles that must govern our actions as a Company, in order to prevent, detect, report and remedy any actions that, according to the applicable regulations, may be considered as corruption or bribery, both active and passive, always upholding the principle of "zero tolerance" towards these practices.

In addition, the Company has implemented a Crime Prevention and Detection Protocol which includes tax risks and corruption risks and in which the controls implemented in relation to these risks are identified and assessed annually.

The Crime Prevention and Detection Protocol is certified by an external company in accordance with the UNE 19601:2017 standard, this certification was renewed in 2022.

The Internal Control over Financial Reporting (ICFR) System, extensively developed in section F of this report, deserves special attention.

(For more information on the main risks and the Compliance model, see Risk Management and Ethics and Integrity sections of the Annual Report).

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

The Risk Control Policy, which was updated in October 2020, defines the risk tolerance levels for each of the existing risk categories.

In order to assess the identified risks (Stage 2 of the model) regarding their probability and impact, there is a homogeneous and standard assessment scale that includes quantitative and qualitative criteria (financial, operational, regulatory, reputational, strategic, etc.), and makes a difference between the various risk categories or levels, which is used to prioritise the risks and establish the acceptable risk level according to the average value.

Annually, an Annual Risk Report is prepared and submitted to the Auditing and Compliance Committee and to the Board of Directors, in which, inter alia, an analysis of risk profile by category or type is made.

The Group's Risk Map is included in the management of the Company and, therefore, is in line with the Strategic Plan to such an extent that is one of the inputs used in the definition of the said Plan. Consequently, much of the strategic initiatives and projects are also aimed at mitigating the main risks and, therefore, are linked to the objectives of the teams since, in addition, within the annual guidelines for the setting of objectives, the importance of taking into account the Risk Map in the process of setting objectives of variable remuneration is outlined.

Therefore, the monitoring of the Strategic Plan and the levels of achievement of objectives also indicate the risk tolerance levels.

E.5. Indicate which financial and non-financial risks, including tax risks, have materialised during the year.

Global Risks: Pandemics or health crisis

Pandemic caused by Covid-19:

In 2022, Covid has continued to have a significant impact on the tourism industry, especially during the first quarter of the year, which was strongly affected by Omicron variant, in particular, during the first two months of the year, but with a gradual recovery trend observed from the third month of the year.

Following a complicated start of the year due to the impact of Omicron variant, the performance of the business has continued to improve and, in the third quarter, has exceeded the revenues for the same period in 2019.

Global Risks: Geopolitical Risks

War caused by the invasion of Ukraine:

This unexpected war has had certain consequences, such as the energy crisis and the international trade crisis, as well as a general price inflation.

Despite of all the geopolitical and macroeconomic constraints, however, the tourism industry has continued to progress, as if travel demand, which has rocketed as pandemic restrictions have lifted, would have been immunised against the complex environment, and at the end of the year tourism figures (achieved in just 10 months after Omicron) were similar to those obtained in the last year before the pandemic, i.e., 2019.

E.6. Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise.

Once the Group's Risk Map is updated, it is analysed in depth by the Executive Committee, which assigns responsibilities so that the areas in charge subsequently define action plans or initiatives to mitigate the main risks (Stage 3 of the model).

The Departments and Business Units, as the first line of defence, are responsible for defining and implementing the measures that are necessary to manage the risks. Therefore, this management is fully integrated in the daily operations of the different areas which, in turn, are completely aligned with the strategy.

The Risk Control & Compliance Department, in cooperation with the affected managers, define KRI's (Key Risk Indicators) in relation to the main risks identified, which allow them to be monitored and controlled (Stage 4 of the model).

The Board of Directors and the Auditing and Compliance Committee are regularly informed of the Company's risk management, including the results of the Risk Map, a report with different

types of analysis in respect of the main risks (comparative, evolutionary, risk profile, cause-effect analyses, etc.), action plans and monitoring and control mechanisms and other possible resulting actions.

In addition and as a common practice, the Auditing and Compliance Committee regularly receives in-depth reports (Deep Dives) on the main risks identified (Stage 5 of the model). These reports include:

- A brief analysis of the context and evolution of the risks,
- The indicators defined for control and monitoring, and
- The action plans carried out or planned for risk mitigation.

The above allows the Board of Directors and the Auditing and Compliance Committee to know and respond to the challenges faced by the Company.

The Risk Control & Compliance Department is in charge of coordinating, supporting, controlling and following up all stages of the model and, due to its direct dependence on the Auditing and Compliance Committee, reports to it on a recurring basis.

F. Internal Risk Management and Control Systems Relating to the Process of Publishing of Financial Information (ICFR)

Describe the mechanisms forming your Company's internal risk management and control systems relating to the process of publishing of financial information (ICFR).

F.1 The entity's control environment

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The Internal Control over Financial Reporting System (hereinafter "ICFR system") of Melia Hotels International Group is part of its general internal control system and is configured as the set of processes that the Board of Directors, the Auditing and Compliance Committee, the Senior Management and the Group's personnel, carry out to provide reasonable assurance regarding the reliability of the financial information published in the markets.

The functions and responsibilities attributed to these bodies are the following:

Board of Directors

According to the provisions of article 529b of the Corporate Enterprises Act, the Board of Directors is directly responsible for determining the risk control and management policy, including tax risks, and for monitoring internal reporting and control systems. In this sense, Article 5 of the Regulations of the Board of Directors assigns the Board the responsibility, among others, for "establishing the risk control and management policy, including tax risks, and the monitoring of the internal reporting and control systems."

Auditing and Compliance Committee

According to Article 14 of the Regulations of the Board of Directors, the Auditing and Compliance Committee is assigned, among others, the responsibility for "monitoring the effectiveness of the Group's internal control, the internal audit services and risk management systems, including tax risks, and discussing with the auditor any significant internal control weaknesses detected during the audit, all this without breaking their independence, being able to present to the Board of Directors recommendations or proposals and the corresponding deadline for compliance"; "supervising and evaluating non-financial risks (operational, technological, legal, social, environmental, political and reputational), without prejudice to the functions entrusted and the tasks to be carried out by the Appointments, Remuneration and Sustainability Committee (hereinafter, the "ARSC") in this matter" and "supervising the preparation and presentation of the financial and non-financial mandatory information process and submitting to the Board of Directors recommendations or proposals aimed at safeguarding its integrity."

The duties of the Auditing and Compliance Committee, which affect the Internal Audit and Risk Control and Compliance Department, include: (i) To ensure the independence and effectiveness of these two departments, (ii) To monitor and assess their performance to which end an activity report will be submitted at the end of each year, (iii) To review the annual work plan of such areas in order to keep track thereof, (iv) To approve the annual budget of both functions, and (v) To monitor the selection, appointment and resignation of the heads of these two functions.

Senior Management

The Meliá Hotels International Group assigns the Senior Management the responsibility for designing, implementing and maintaining the ICFR system, with each Region or Department being responsible in its area of influence. Therefore, this responsibility affects the entire Group insofar as the financial information is fed from the activity and the information generated by the business areas and the other support areas.

Internal Audit Department

The Group has an Internal Audit Department that depends hierarchically on the Auditing and Compliance Committee and functionally on the Chief Legal & Compliance Officer, who in turn reports to the Group's Vice Chairman and CEO. The responsibilities of the Internal Audit Department include to verify the proper functioning of the ICFR system, keeping the Board of Directors, through the Auditing and Compliance Committee and the Senior Management, informed on whether the enabled mechanisms effectively mitigate the risk of errors with material impact on the financial information.

For the purposes of ensuring the independence of the Internal Audit Department with respect to the operations or areas that it audits and over which it has no authority or responsibility, the internal auditors are not assigned other powers and functions other than those of internal audit (assurance and consulting functions) designed to add value and improve the processes and controls of the Group, by giving a systematic and disciplined approach to assess and improve risk management, control and governance of the Group.

F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The definition and review process of the organisational structure is regulated by the Group's Human Resources Regulation, which is applied to all the Group companies and is available on the Employee Portal (MeliaHome). According to the provisions of such Regulation, the Human Resources Department is responsible for ensuring equity, balance and the optimisation of the Group's organisational structure and its periodic review. The heads of the different areas within the Group must ensure that the size of their staff is appropriate and optimal to address the department and business unit operations.

Any change in the organisational structure, as well as the appointment and removal of senior executives and their remuneration, must be proposed by the Appointments, Remuneration and Sustainability Committee and approved by the Board of Directors.

Likewise, the Organisation and Compensation area, which reports to the Human Resources Department, is responsible, in cooperation with the different areas within the Group, for the analysis and definition of processes, as well as the description of job positions, including functions and responsibilities, and the positions related to the preparation of financial reporting. The Group's organisational chart is available on the Employee Portal (MeliaHome).

With regard to the process of preparing financial information, in addition to detailed organisational charts, there are rules and instructions that establish the specific guidelines and responsibilities of each closure in which the main tasks are explained, both at corporate and branch levels.

Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

The Meliá Hotels International Group has several documents relating to conduct of its employees, suppliers and other stakeholders:

Code of Ethics

The Meliá Hotels International Group has a Code of Ethics that was initially approved by the Board of Directors in 2012 and then reviewed and updated in 2018.

The Code of Ethics is a set of principles of action that organise and give meaning to the values of the Group, and is the summit of the entire internal regulatory framework, establishing the fundamentals from which policies, regulations, processes and internal procedures arise.

This Code of Ethics and all the information necessary for a proper understanding thereof, is available to the Group's employees through the Employee Portal, as well as to any stakeholder through the company's corporate website (www.meliahotelsinternational.com).

In particular, the Code of Ethics includes a section regulating the principles applicable to the relationship with shareholders and investors, where the following commitments are expressly mentioned: (i) to ensure maximum reliability and accuracy in accounting and financial records, (ii) to comply with the obligations on transparency in the securities markets, (iii) to be proactive in identifying, preventing and mitigating financial and non-financial risks, and (iv) to make transparent, sufficient, truthful, timely and clear financial and non-financial information available to shareholders and investors.

The Group has a mandatory internal training course consisting of three modules, one of which relates to the Code of Ethics. This training is accessible to all corporate staff worldwide including directors, deputy directors and managers in the various hotels through the Group's e-learning platform (E-Melia).

Code of Ethics for Suppliers

The Code of Ethics for Suppliers sets out the principles and commitments that the Group expects to be observed by all its suppliers. This document reinforces the management and relationship model that the Group wants to promote worldwide, integrating the principles and commitments of the Group's Code of Ethics, giving greater coherence to its procurement model and conveying the public commitments made to the supply chain.

Similarly to the Group's Code of Ethics, the Code of Ethics for Suppliers is available on the Group's corporate website. Periodically, campaigns are carried out to disseminate the Code of Ethics for Suppliers, whether through specific announcements or through adherence clauses in contracts.

On the corporate website (www.meliahotelsinternational.com), there is a specific section for suppliers, i.e., a private area for the Group's suppliers, where the Code of Ethics for Suppliers, inter alia, is available.

Internal Code of Conduct in the Securities Market

The Internal Code of Conduct in the Securities Market is applied to all members of the Board of Directors and to the addressees defined in its subjective scope of application. Its content establishes, inter alia, the procedures relating to the processing of inside information.

This Code is communicated and delivered in writing to the persons to whom it applies when they are contracted and/or when they are declared as Affected Individuals in accordance with the provisions of the code, and it must be signed and accepted by these persons. The Chief Legal & Compliance Officer is in charge of monitoring and controlling compliance with the said code, reporting to the Auditing and Compliance Committee any issues relating to this field.

The Internal Code of Conduct in the Securities Market was updated in 2020 and is available on the corporate website.

Executive Behaviour Regulation and Human Resources Regulation

In addition, the Group has an Executive Behaviour Regulation and a Human Resources Regulation, regulating the conduct of its executives (in the first case) and of all the Group's employees (in the second case), in relation to certain matters.

The Executive Behaviour Regulation was updated in 2021 and is available on the Employee Portal. This Regulation is communicated when updated to all Executives individually and with acknowledgment of receipt, and is also signed by the Group's Executives every two years.

Whistleblowing channels allowing notifications to the auditing committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential, and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.

Whistleblowing Channel for Employees

Since 2012, Meliá Hotels International Group has a Whistleblowing Channel for Employees, a system by means of which any complaints related to non-compliance with the contents of the Code of Ethics may be submitted. The procedure guarantees, in all cases, an independent and confidential analysis.

The channels available for submitting complaints are: Intranet (Employee Portal), Internet (corporate website) and regular mail addressed to the Ethics Committee. Likewise, in relation to the confidentiality and in compliance with the provisions of the Law on Data Protection and Digital Rights, in the Whistleblowing Channel all the complaints are processed in a confidential way.

The Ethics Committee is the independent body responsible for receiving, managing and coordinating the complaints and investigation procedure, and is the only body which has access to the complaints received, thus guaranteeing their confidentiality. The ultimate responsibility lies with the Board of Directors itself, which through the Auditing and Compliance Committee assumes the obligation to implement it.

The operation of the Whistleblowing Channel for Employees is described in the Regulations of the Whistleblowing Channel for Employees, published on the Employee Portal. A training module on the Whistleblowing Channel is available at MeliaHome. Additionally, campaigns to disseminate the Whistleblowing Channel for Employees are regularly made.

Complaints Channel for Third Parties

Following the approval of the Code of Ethics for Suppliers in 2018, a Whistleblowing Channel for Suppliers was created through which any behaviours contrary to the aforementioned Code of Ethics for Suppliers can be communicated or reported.

In 2021, following the recommendations of the Good Governance Code of Listed Companies as well as the European directive for the protection of whistleblowers, the Group decided to extend the scope of the Whistleblowing Channel for Suppliers to any third parties (shareholders, directors, customers, suppliers, etc.).

The Complaints Channel for Third Parties is also managed by the Ethics Committee of the Group and can be accessed through the corporate website (www.meliahotelsinternational.com) or through regular mail addressed to the Ethics Committee.

The operation of the Complaints Channel for Third Parties is described in the Regulations of the Complaints Channel, accessible through the platform for accessing the complaints channel.

Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

The heads of the departments responsible for preparing financial information must ensure that employees working in these areas have access to updated information and appropriate training.

Corporate team members involved in the preparation and review of financial information receive annual specific training to update their knowledge in various matters related to their functions. During 2022, they have participated in the training sessions regarding the new challenges faced by the entities (geopolitical invasions, hyperinflationary economies, increase in the price of raw materials, etc.), changes in the local accounting regulations and keys to take into account in the corporate information (financial and non-financial).

Internal Audit, Tax Services, Management Control, Risk Control and Compliance and Global Administration have been the departments involved in the training programmes.

In particular, during 2022, the following training activities, among others, have been carried out (the most relevant ones for the purposes of this report are indicated):

Training	Duration (hours)	Date	Provider	Department
Monographic course on International Financial Reporting Standards - IFRS/IAS	42	January-March 2022	CENTRO DE ESTUDIOS FINANCIEROS (CEF)	Internal Audit
Team management in uncertain environments	2	22/12/2022	AECA	Global Administration
FEUE 2022, market challenges and solutions	4.5	15/12/2022	XBRL	Global Administration
Keys for corporate information (financial and non-financial)	3	14/12/2022	EY	Global Administration
GAP general session	2	23/11/2022	EY	Global Administration
Power Purchase Agreement	2	28/10/2022	EY	Global Administration
Hyperinflation accounting	2	21/06/2022	EY	Global Administration
Accounting considerations of the Ukraine invasion	2	06/04/2022	EY	Global Administration

The Group has external advice to support the development of knowledge of the personnel involved, and participates as corporate partner of IAI (Institute of Internal Auditors) and AECA (Spanish Association of Accounting and Business Administration).

Likewise, the Group also subscribes to the following publications:

Subscription	Frequency	Provider
Asociación Española de Contabilidad y Administración de Empresas [Spanish Association of Accounting and Business Administration]	Weekly	Asociación Española de Contabilidad y Administración de Empresas (AECA)
Instituto Auditores Internos [Institute of Internal Auditors] - IAI Magazine	Monthly	Instituto Auditores Internos (IAI)
Breaking News	Weekly	KPMG

EY CFO Newsletter	Monthly	EY
-------------------	---------	----

F2 Assessment of Risks in Financial Reporting.

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.

The Meliá Hotels International Group has a global and permanent risk control, analysis and assessment model. This model is formalised in the following documents available for all employees through the Employee Portal (MeliaHome):

- The Risk Control and Management Policy establishes the basic principles governing Risk Management and the general framework of action for the control, analysis and assessment of the risks faced by the Group. The policy was updated in 2020 in order to be adapted to the update of the Good Governance Code for Listed Companies, in particular, recommendation 45. Such update was approved by the Board of Directors.
- Risk Control and Management Regulation, which develops the policy above and establishes the rules, guidelines or criteria to be followed in the process of updating the Group's Risk Maps, as well as the operation of other mechanisms or tools used for risk prevention and management. The Regulation was updated in 2020. Such update was approved by the Auditing and Compliance Committee.
- Control and Analysis of Tax Risk Regulation, which aims at developing the Risk Control and Management Policy in the tax area.
- Risk Map preparation process that defines the process flow chart of tasks for the design of the Group's Risk Map.

The Risk Control Department leads the periodic review process of the Group's Risk Map and ensures the definition of actions and assignment of responsibilities to mitigate the main risks. The heads of all the departments and areas of the Group participate in the same, by identifying and assessing the different risks that affect them, including those relating to non-financial information. Therefore, in addition to the Group's Consolidated Risk Map, Risk Maps for each of the different departments and areas that make up the Group are also obtained.

- Whether the process covers all the objectives of financial reporting (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so, how often.

Every year and in cooperation with the Internal Audit Department, the Risk Inventory is reviewed to detect which of the identified risks may affect the financial reporting objectives defined by the CNMV: existence and occurrence, completeness, valuation, presentation, disclosure and comparability and rights and obligations.

Each of the risks identified in the process of preparing the consolidated financial statements is associated with the processes and the different financial lines considered as significant.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.

In order to be able to identify the scope of consolidation at all times, the Annual Accounts and Consolidation Department maintains an up-to-date corporate register that includes all of the Group's interests, whatever their nature.

The procedures for updating the scope of consolidation are defined in a manual which complements the provisions of the Company and Joint Venture Regulations. The scope of consolidation is updated and reviewed regularly according to the provisions of the International Accounting Standards and other local accounting regulations, and as long as a change in the corporate register occurs.

Regarding the possible existence of complex corporate structures or special purpose vehicles, the creation of this type of structures, since it is a non-delegable power, requires the prior approval of the Board of Directors.

Likewise, according to the provisions of the Tax Strategy Policy, one of the guiding principles is "to avoid the creation of companies that are opaque or resident in tax havens according to the interpretation of the European Union, unless their existence and operations respond to economic and business reasons". In addition, it is reiterated that the "creation or acquisition of interests in special purpose vehicles or enterprises resident in countries or territories considered tax havens" must be approved by the Board of Directors.

- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

The impact that risks may have on financial statements is considered in updating the Group's Consolidated Risk Map, regardless of the type of risk. Meliá Hotels International Group has classified the risks identified in the following fields:

- Global Risks.
 - Financial Risks.
 - Business Risks.
 - Operational Risks.
 - Compliance Risks.
 - Information Risks.
- The governing body within the company that supervises the process.

The results obtained in the process of updating the Group's Consolidated Risk Map are reported and reviewed by the Senior Management, the Auditing and Compliance Committee and the Board of Directors.

F3 Control Activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1 Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

Meliá Hotels International Group provides securities markets with financial information for the consolidated Group on a quarterly basis. This financial information is prepared by the Administration and Finance Department.

The Chief Financial Officer analyses the reports received, provisionally approving the financial information for submission to the Auditing and Compliance Committee, which is then responsible for supervising the financial information that it receives. The Group submits the financial statements for the first half of the year to a limited review by the external auditor. Thus, in the half-yearly closing of accounts, the Auditing and Compliance Committee has available information revised by the Group's external auditors.

In the half-yearly closing of accounts, the Auditing and Compliance Committee reports to the Board of Directors its conclusions on the financial information submitted so that, once approved by the Board of Directors, it can be published in the securities markets. Likewise, ad hoc meetings of the Auditing and Compliance Committee are held to approve the Interim Management Report for the first and third quarter. Once reviewed by the Auditing and Compliance Committee, the information is made available to the Board of Directors for approval.

Meliá Hotels International Group has a procedure manual which defines the internal process for the preparation and publication of consolidated financial information, which covers the entire process of preparation, approval and publication of the financial information to be sent periodically to the CNMV.

All the areas that potentially may affect the Group's Annual Accounts in a significant manner, have controls in the critical processes to ensure the reliability of financial information. These controls are included in internal procedures or in the way IT systems work to create the basis for the preparation of financial information.

Most of the processes considered as critical and the control activities associated therewith have been systematically documented. This documentation is made up of descriptive elements, process flow charts and risk and control matrices. In addition, and throughout this process, possible fraud risks have been identified for which controls are also formalised to mitigate these risks.

The activities that are required to be formally documented are included in the processes within the areas of Administration, Tax, Treasury and Finance, Relationship with Investors, Personnel Administration, Hotel Business and Vacation Club.

The different Departments are responsible for documenting and updating each of these processes, detecting possible control weaknesses, and defining appropriate corrective measures. These processes are reviewed and updated every 3 years for each of the Departments. Internal Audit is responsible for verifying their review on the basis of such periodicity through a Self-Assessment Control, ensuring compliance with the associated risks and controls.

The relevant judgements, estimates and projections necessary to quantify certain assets, liabilities, revenues, expenses and commitments recorded or broken down in the Annual Accounts are made by the Administration and Finance Department with the support of the other Departments.

The Annual Accounts of Meliá Hotels International Group include information of the most relevant areas in which there are elements of judgement or estimation, as well as the key assumptions in relation thereto. The most important estimates relate to the valuation of goodwill, provision for taxes on profits, fair value of derivatives, fair value of investment property, pension contributions and the useful life of property, plant and equipment and intangible assets.

As part of the documented processes, a procedure for closing of accounts has been established, which defines the procedure of closing of accounts, review and authorisation of financial information in the different units of the Group which culminates in the process of consolidation of all the information.

F.3.2 Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

The IT Department of the Meliá Hotels International Group has a set of security regulations and procedures designed to guarantee the control of access to business applications and systems to ensure the confidentiality, availability and completeness of the information.

In 2017, the Board of Directors approved the Information Security Policy, which is available on the corporate website. In development of this Policy, the System Security Regulation, the System Use Manual and the IT Security Framework have also been drawn up.

Meliá Hotels International Group has formalised procedures for changes to the financial management platform and a transaction development and maintenance process. These procedures define the controls that ensure a proper development and maintenance of applications, assessing the impact of changes and associated risks, and they also have processes to test changes before they are implemented in production systems.

There is an access and authorisation management model based on segregation of functions on the systems that support the processes for management of preparation of financial information, which defines the control procedures and ensures that there are no users who are involved in the handling of such information.

In addition, controls have been defined for the appropriate management and monitoring of the assignment of special privileges on systems that support financial information.

In mid-2021, the Internal Audit Department included a system auditor and, recently, an additional auditor has joined the said team, therefore, currently, the system audit team consists of three persons.

In 2022, the planned IT audit plan has been executed. It is worth mentioning that through the implementation of the HighBond audit tool, from July, all the system audits have been carried out using this tool, which facilitates the audit process, as well as the recommendations issued to cover the detected risks.

For the preparation of the annual audit plan, the increase in resources in this area, as explained above, has been taken into account.

F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

Outsourcing is governed by the Service Contracting Regulation that regulates the approval by the General Management of the contracting area and verification that the supplier has sufficient professional qualifications to perform the contracted services and, where

appropriate, is registered with the corresponding professional body. This Regulation is available to all employees on the Employee Portal (MeliaHome).

In addition, the Group has an Approval Process for Audit and Non-Audit Services Provided by the Statutory Auditor which defines the guidelines and procedures for the contracting of audit services, audit-related services and non-audit services provided by the statutory auditor. This process was updated in 2021.

In making use of the services provided by an independent expert, the Group ensures that it has the technical competence and skills by only engaging third parties with proven experience and good reputation.

To validate the reports of the independent expert, the Group has internal trained personnel capable of validating the reasonableness of the conclusions thereof, defining and managing the appropriate service levels in each case.

It is noted that the new Tax Strategy Policy sets forth that “the Tax Department may rely on the advice of independent experts renowned in the tax field, except for the auditor and/or audit firm that performs the audit of the Group’s financial statements.”

In 2020, a new centralised model for the contracting of services and purchase of goods was implemented, with the objective of ensuring the management of contracts and suppliers and their need.

Likewise, the digitalisation of the approval and validation of contracts and invoices has been implemented, allowing control, monitoring and verification of compliance with internal regulations and, in particular, with the different approval levels internally established.

F4 Information and Communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the Company operates.

The Annual Accounts and Consolidation Department is responsible for the definition and updating of accounting policies and their interpretation and that of other accounting regulations that affect the financial statements of Meliá Hotels International Group. The functions of this department are, among others, as follows:

- To define the Group’s accounting policies.
- To analyse the individual operations and transactions carried out or to be carried out by the Group to determine their appropriate accounting treatment.
- To follow-up the new regulations planned by the International Accounting Standards Board (IASB) and new regulations approved by the said body and adopted by the European Union, and the impact that their implementation will have on the Group’s Consolidated Annual Accounts.
- To clarify any doubts of Group companies regarding the application of the Group’s accounting policies.

Meliá Hotels International Group presents its Consolidated Annual Accounts in accordance with the International Financial Reporting Standards adopted by the European Union. There is an updated accounting policy manual that is reviewed whenever accounting regulations applicable to the Group’s financial statements are significantly amended. All personnel responsible for preparing the financial statements for the companies within the Group have access to this document through the Intranet.

In order to manage any doubts regarding interpretation of accounting policies, there is a formal communication channel that consists of a mailbox managed by the Annual Accounts and Consolidation Department. Through this mailbox, the different business areas can ask for advice on specific issues which, due to their specificity or complexity, may raise doubts about the appropriate methodology for their registration in the Group's accounting books.

F.4.2 Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or the group, which support the main financial statements and notes, as well as disclosures concerning ICFR.

Meliá Hotels International Group has an integrated financial management IT tool to address the reporting needs of individual financial statements, and which facilitates the subsequent consolidation and analysis process.

This tool centralises in a single system all the accounting information of the Group companies, which is the basis for the preparation of Individual and Consolidated Annual Accounts. The system is centrally managed by the Group's corporate area.

For the process of preparation and approval of the Group's Annual Accounts, the Group has a technological tool (external software) of consolidation of financial (and non-financial) information and the creation of management reports, all within the framework of the fulfilment of the new SEC regulations and the obligations in terms of taxonomy of information.

F.5 Supervision of the Functioning of the System

Report on at least the following, describing their principal features:

F.5.1 The activities of the audit committee in overseeing ICFR system as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR system. Additionally, describe the scope of ICFR system assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

The activities for monitoring the ICFR system carried out by the Auditing and Compliance Committee in 2022 include:

- Regular meetings with external auditors, internal auditors and Senior Management to review, analyse and comment on the financial information, the applied accounting criteria and, where applicable, any significant internal control weaknesses identified.
- Review, with the support of the Internal Audit Department, of the effectiveness of and compliance with the processes established as part of the internal control system.

As mentioned in section F.1.1. above, Internal Audit Department is responsible for verifying the proper functioning of the Internal Control System, including the reliability of the Financial Information (ICFR), keeping the Board of Directors, through the Auditing and Compliance Committee and the Senior Management, informed about the existence, adequacy and effectiveness of existing methods, procedures, standards, policies and instructions, which are available to the Group's employees.

In this sense, the Internal Audit Department prepares an Annual Internal Audit Plan that includes various actions aimed at assessing the degree of compliance with internal control through audits of different types, mainly business or operational audits (hotels, vacation clubs and other businesses), computer systems audits, financial audits and assessment of control activities associated with processes in corporate and regional areas of Administration and Finance, including processes associated with the ICFR system. The areas and processes to be audited, as well as the checklist of audit control points are reviewed and updated annually.

In line with the 2022-2024 strategic plan by the Internal Audit Department, in 2022 a tool for the comprehensive management of the Internal Audit Department (HighBond - Diligent) has been acquired, developed and implemented, which meets the need of having a digital system for the whole internal audit process, from its scheduling, through the realisation and monitoring of audits and to the reporting at each level of the Group.

Having a comprehensive management tool allows a direct and immediate interaction with the area and/or process to be audited and that all the communication be registered in a single application, which, in addition to facilitating the analysis of the information, allows a greater dedication to the audit process itself. Likewise, it ensures integrity of both the work papers and all the information and documentation that are managed during the audit process.

The mentioned tool is currently being updated by all the internal auditors, at the European level and by the teams based in Mexico and Indonesia.

Together with the acquisition of the Internal Audit Department management tool, a tool for massive analysis of data (ACL Robotics) has been acquired, which is in training and development process for its subsequent use during the audit processes, at a global level and for individual projects. The local linkers with more than 200 different applications (example: SAP; Oracle; etc.) will allow us to manage large data volumes for their subsequent analysis.

According to the Audit Regulations, if as a result of the Audit Department's assessments, control weaknesses are detected in the audited centres/areas/processes, these are brought to the attention of the Management of the audited centre and/or area, reporting to Senior Management and the Auditing and Compliance Committee if deemed appropriate. The heads of these centres and/or areas are obliged to respond to the weaknesses detected by implementing corrective measures or preventive plans.

Likewise, the external auditor, as mentioned in section F.7.1., every year issues an annual report of the agreed procedures on the description of the ICFR system carried out by the Group in which no relevant issues have been highlighted.

F.5.2 Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

According to the Regulations of the Board, the Board of Directors must meet at least six times a year. Coinciding with these meetings, the Auditing and Compliance Committee also meets, with the meetings being regularly attended by the internal and external auditors as guests, and also by Senior Management of the Group, when appropriate.

The external auditor must attend, at least, the Board meeting in which the Annual Accounts are prepared and, additionally, any other Board meeting at which his/her attendance is required. The Internal Audit Department is in constant communication with the Senior Management and periodically reports the Auditing and Compliance Committee of any internal control weaknesses detected in internal audits, among other issues. Internal Audit is present at all the meetings of the Auditing and Compliance Committee held during the year.

Additionally, the external auditor every year provides the Auditing and Compliance Committee with a report detailing the internal control weaknesses detected. The action plans for the weaknesses detected are implemented in the form of recommendations that follow prioritisation, assignment of responsibilities and follow-up criteria. These recommendations are followed up internally.

F.6 Other Relevant Information

No additional aspects to be broken down have been identified.

F.7 External Auditor's Report

Report:

F.7.1 Whether the ICFR system information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

The information on the ICFR system included in the Annual Corporate Governance Report has been reviewed by the external auditor, the report of which is attached to the Group's Management Report.

G. Degree of Compliance with Corporate Governance Recommendations

1. That the bylaws of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies Explain

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies Complies partially Explain **Not applicable**

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.
- b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies Complies partially Explain

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies Complies partially Explain

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by commercial legislation on its website.

Complies **Complies partially** **Explain**

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

- a) Report on the auditor's independence.
- b) Reports on the workings of the audit and appointments and remuneration committees.
- c) Report by the audit committee on related party transactions.

Complies **Complies partially** **Explain**

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies **Complies partially** **Explain**

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the General Meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies **Complies partially** **Explain**

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies **Complies partially** **Explain**

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

- a) Should immediately distribute such complementary points and new proposals for resolutions.
- b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

- c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies Complies partially Explain **Not applicable**

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies Complies partially Explain **Not applicable**

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies Complies partially Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a participatory manner, which makes it advisable for it to have between five and fifteen members.

Complies Explain

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board that:

- a) Is concrete and verifiable.
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors, and
- c) Favours diversity of knowledge, experience, age and gender For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the results of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the appointments committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The appointments committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies Complies partially Explain

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies **Complies partially** Explain

The percentage of female directors in the Company at the end of 2022 was 36.36% (4 female directors out of a total of 11 members in the Board of Directors).

The Board and the Appointments, Remuneration and Sustainability Committee promote the inclusion of women in the Board, proposing to that end their appointment when there are vacancies. In this sense, in 2022 Ms Montserrat Trapé was appointed as an External Independent Director.

Likewise, the Company has a Director Selection and Diversity Policy that defines all the principles on this matter, a detail of which is provided in section C of this Corporate Governance Report.

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies Explain

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies Explain

18. That companies should publish the following information on its directors on their website, and keep it up to date:

- a) Professional profile and biography.
- b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
- e) Company shares and share options that they own.

Complies Complies partially Explain

19. That the annual corporate governance report, after verification by the appointments committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies Complies partially Explain **Not applicable**

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies Complies partially Explain **Not applicable**

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board of Directors are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the appointments and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies **Complies partially** **Explain**

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests.

This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies **Complies partially** **Explain** **Not applicable**

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies **Complies partially** **Explain** **Not applicable**

25. That the appointments committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

The Regulations of the Board of Directors should establish the maximum number of company boards on which directors may sit.

Complies **Complies partially** **Explain**

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas

established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies **Complies partially** Explain

The Regulations of the Board of Directors establish a minimum number of six meetings.

At the beginning of each year, the Board analyses, proposes and approves the schedule of meetings for the current year, according to the Company's needs.

Likewise, the Regulations establish that directors must ask the persons with capacity to call meetings to call an extraordinary meeting of the Board or to include such items as they deem appropriate in the agenda of the next meeting to be held.

During 2022, according to the Company's needs, the Board of Directors met at the meetings scheduled in the calendar.

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies **Complies partially** Explain

In 2022, two absences of the Chairman of the Board (Mr. Gabriel Escarrer Juliá) occurred, and no proxy was granted to another Director due to material impossibility of carrying out such delegation, according to medical instructions.

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies Complies partially Explain Not applicable

29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies Complies partially Explain

30. That without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies Explain Not applicable

31. That the agendas of Board meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies Complies partially Explain

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies Complies partially Explain

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the Company Bylaws should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensure that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies Complies partially Explain

34. That when there is a coordinating director, the Company Bylaws or Regulations of the Board should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies Complies partially Explain Not applicable

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies Explain

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) Quality and efficiency of the Board of Directors' functioning.
- b) Functioning and composition of its committees.
- c) Diversity in the composition and skills of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the appointments committee.

Business relationships between the external advisor or any member of the advisor's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies Complies partially Explain

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies Complies partially Explain Not applicable

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies Complies partially Explain Not applicable

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies Complies partially Explain

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies Complies partially Explain

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies Complies partially Explain Not applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

a. Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b. Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c. Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d. Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a. In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b. Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.

c. Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d. Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e. Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies Complies partially Explain

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies **Complies partially** **Explain**

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies **Complies partially** **Explain** **Not applicable**

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- c) The level of risk that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialise.
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies **Complies partially** **Explain**

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies **Complies partially** **Explain**

47. That in designating the members of the appointments and remuneration committee - or of the appointments committee and the remuneration committee if they are separate - care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies **Complies partially** **Explain**

48. That large-cap companies have separate appointments and remuneration committees.

Complies Explain Not applicable

The Company does not consider it necessary to have two separate Committees: the Appointments Committee and the Remuneration Committee, especially considering the size and composition of the Board of Directors and the increase in expenses that this would involve, without resulting in an improvement in efficiency.

The creation of a third specialised committee, considering the current size and structure of the Board of Directors, would mean that the majority of independent directors would be members, at the same time, of the three committees, which is not very practical, and does not allow the synergies that currently exist in the Board.

49. That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the appointments committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies Complies partially Explain

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Proposing the basic conditions of employment for senior management to the Board of Directors.
- b) Verifying compliance with the company's remuneration policy.
- c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
- d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
- e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies Complies partially Explain

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies Complies partially Explain

52. That the rules regarding the composition and functioning of the supervision and control committees should appear in the Regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

- a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
- b) That their chairpersons be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and the minutes be made available to all directors.

Complies Complies partially Explain **Not applicable**

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies Complies partially Explain

54. That the minimum functions referred to in the foregoing recommendation are the following:

- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
- c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
- d) Supervision of the company's environmental and social practices to ensure they are in alignment with the established strategy and policy.
- e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies Complies partially Explain

55. That environmental and social sustainability policies should identify and include at least the following:

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.
- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
- d) Channels of communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies **Complies partially** **Explain**

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies **Explain**

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies **Complies partially** **Explain**

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances. And, in particular, variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies **Complies partially** **Explain** **Not applicable**

59. That the payment of the variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies Complies partially Explain Not applicable

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies Complies partially Explain Not applicable

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies Complies partially **Explain** Not applicable

The Company understands that the purpose of the recommendation is to ensure the involvement of the Executive Director in the results of the Company and its performance.

In view of the specific situation and given that the Company is a family-owned business, the distribution of shares to the Executive Director is deemed unnecessary.

Notwithstanding the foregoing, the new Directors' Remuneration Policy establishes that "remuneration systems referenced to the Company's stock quotes or involving payment in shares or option rights over them may be established".

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the appointments and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies Complies partially Explain **Not applicable**

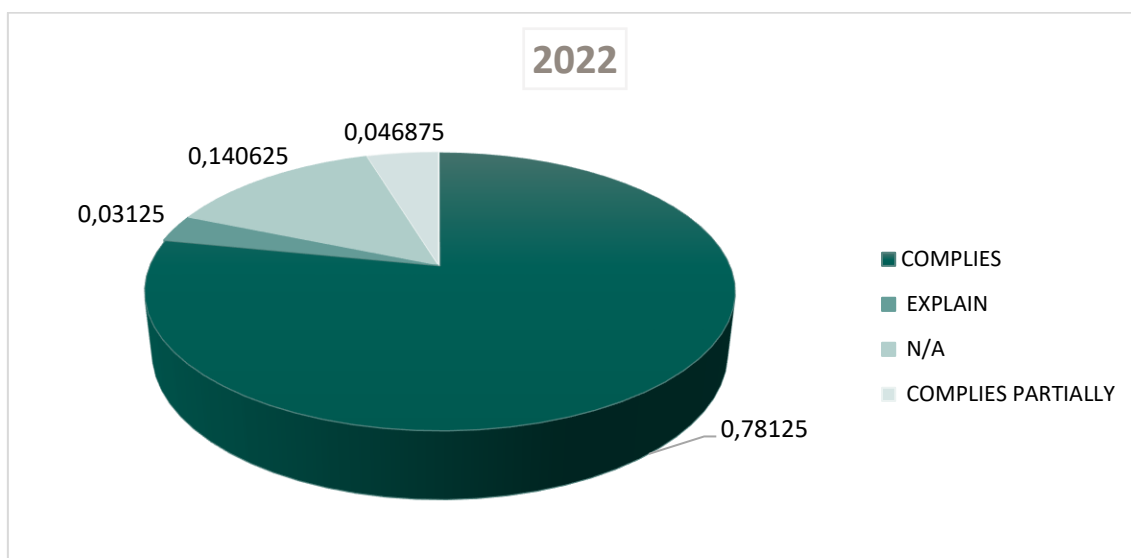
63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies Complies partially Explain Not applicable

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies Complies partially Explain Not applicable



H. H. Further Information of Interest

H.1 If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensible and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.

H.2 This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

H.3 The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other.

In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

Meliá Hotels International adheres to the following codes of ethical principles or good practices:

Code	Organisation	Scope	Year of subscription
ECPAT Code of Conduct for the Prevention of Sexual Exploitation of Children and Adolescents in Travel and Tourism	The Code International	Global	2006
Global Compact Principles	UN Global Compact	Global	2008
Best Practices in CSR & Sustainability	FTSE4 Good Ibex	Spain	2008
Global Code of Ethics for Tourism	UNWTO	Global	2011
Climate change	CDP Climate - Carbon Disclosure Project CDP Water - Carbon Disclosure Project	Global	2011 2019
Social Dialogue and Labour Rights	IUF-IUF International Union of Workers	Global	2013
Paris Agreement	United Nations Climate Change Conference in Paris (COP21)	Global	2015

Commission on Corporate Responsibility and Anti-Corruption	International Chamber of Commerce (ICC)	Global	2016
World Travel & Tourism Council	WTTC	Global	2016
Prevention of sexual harassment	IUF-IUF International Union of Workers	Global	2019
Green Recovery Alliance (European Green Pact)	European Union	EU	2020
UNESCO Sustainable Travel Pledge	UNESCO	Global	2021
Commitment letter to the G20 countries to accelerate the Paris commitments	We Mean Business Coalition	Global	2021
Digital Green Certification	Minister of Europe and Foreign Affairs	EU	2021
CEOs for Diversity	Fundación CEOE	Spain	2021
Global Hospitality Sustainable Basics	WTTC	Global	2021

Likewise, the Company has adhered to the UNE 19601 Certification in terms of Compliance. The company does not adhere to the Code of Good Tax Practices of 20 July 2010.

This Annual Corporate Governance Report was approved by the Company's Board of Directors at its meeting held on **27 February 2023**.

Indicate whether any director voted against or abstained from approving this report.

YES NO

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons
Remarks		

