

2020 Annual Report on the Remuneration of Directors

25 February 2021

INTRODUCTION

This Annual Report on the Remuneration of Directors was prepared by the Appointments, Remuneration and Corporate Social Responsibility Committee of Meliá Hotels International, S.A. and submitted to the Board of Directors for approval, within the context of the functions defined by the Board of Directors Regulation and in compliance with Article 541 of the Spanish Capital Companies Act.

The Report was unanimously approved by the Board of Directors at its meeting held on 25 February 2021 and shall be submitted to the shareholders for an advisory vote at the 2021 General Shareholders' Meeting as a separate item on the agenda.

It must be noted that the Report was prepared in accordance with the contents and instructions provided in Circular Note 1/2020 of October 6th by the CNMV, with the Company having chosen the free-format option.

All documents referred to in this Report (reports, Board of Directors Regulation, Remuneration Policy) are available on the corporate website of Meliá Hotels International.

DEFINITIONS

CNMV: Spanish Securities Market Commission.

Committee or Appointments, Remuneration and CSR Committee: Meliá's Appointments, Remuneration and Corporate Social Responsibility Committee.

Company, Entity or Meliá: The company Meliá Hotels International, S.A.

Chief Executive Officer (CEO) or Executive Director: Mr Gabriel Escarrer Jaume, Managing Vice-President and Chief Executive Officer of Meliá and the sole director performing executive duties.

Group: Meliá and all dependent companies over which Meliá exercises direct or indirect control according to Article 42 of the Spanish Commercial Code.

ARR / Report: This Annual Report on the Remuneration of Directors.

CCA or Capital Companies Act: Spanish Royal Legislative Decree 1/2010 of July 2nd approving the consolidated text of the Capital Companies Act.

Policy or Remuneration Policy: Meliá's Remuneration Policy for the years 2019 to 2021.

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

A.1 Please explain the Remuneration Policy applicable to directors for the current financial year. Where relevant, you may include certain information by reference to the Remuneration Policy approved by the General Shareholders' Meeting, provided that such information is clear, specific and precise.

Specific remuneration criteria applicable in the current year should be described, including the remuneration of directors in their capacity as such, as well as any consideration for the performance of executive duties carried out under the agreements signed with Executive directors and in accordance with the Remuneration Policy approved by the General Shareholders' Meeting.

In any case, at least the following aspects should be reported:

- Describe the procedures and corporate bodies involved in determining and approving the Remuneration Policy and its terms and conditions.*
- Confirm and explain, where applicable, whether the Company's Remuneration Policy was defined by taking into consideration comparable companies.*
- Confirm whether any external advisor was engaged, disclosing his or her identity where applicable.*

Remuneration Policy Approval Procedures

The Remuneration Policy was approved by the Company's General Shareholders' Meeting held on 6 June 2018 and subsequently amended by the General Shareholders' Meeting held on 18 June 2019.

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

In accordance with Article 529(xix) of the Spanish Capital Companies Act, the Appointments, Remuneration and CSR Committee prepared a specific report on the Remuneration Policy based on a preliminary analysis of remuneration data conducted by the Company's Compensation Department (HR), taken from different remuneration studies carried out by consultancy firms specialising in top management and directors' remuneration (Korn Ferry, Mercer, etc.). The Appointments, Remuneration and CSR Committee submitted this report to the Board of Directors.

The Board of Directors analysed and discussed the report as well as the proposed changes for the 2019-2021 period with respect to the previous Policy. In particular, the Board positively assessed the continuity of the Remuneration Policy criteria implemented in the previous three-year period; it clarified the descriptive concepts comprising the amounts receivable as variable remuneration; and it introduced the possibility of subscribing to social welfare plans as part of the remuneration of executive directors.

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Upon calling for the 2018 General Shareholders' Meeting, the Board of Directors made available the mandatory report and the Remuneration Policy, which was approved by the General Shareholders' Meeting with 169,782,809 votes in favour (i.e. 96.329% of the attending voting rights). Additionally, the General Shareholders' Meeting approved an increase in the maximum remuneration amount payable to directors in their capacity as such, up to a maximum global amount of ONE MILLION TWO HUNDRED THOUSAND EUROS (€ 1,200,000) with 172,240,942 votes in favour (i.e. 97.724% of the attending voting rights).

As regards the modification of the Policy for the 2019-2021 period, the procedure to prepare the modification was the same as indicated above. On this occasion, the Committee agreed to propose the incorporation of a clawback provision in the Services Agreement signed with the CEO, which in turn required a modification of the Remuneration Policy.

With regard to the participation of external advisors, the Committee and the Corporate Governance and Human Resources departments received consultancy services from a firm specialising in the field (Cuatrecasas) when preparing the Remuneration Policy.

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

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

- To propose to the Board the Remuneration Policy applicable to directors, general managers and any individuals performing top management duties under direct supervision by the Board, Executive Committees or Chief Executive Officers, as well as the individual remuneration and other contractual terms and conditions applicable to executive directors, ensuring compliance with such Policy.
- To conduct periodic reviews of the Remuneration Policy, assessing its adequacy and performance. In particular, to conduct periodic reviews concerning the assessment of the goals or parameters involved in the remuneration schemes applicable to the executive director and top management positions.
- To ensure transparency in payments and to incorporate the information concerning directors' remuneration into the Annual Report on the Remuneration of Directors and the Annual Report on Corporate Governance, submitting the Annual Report on the Remuneration of Directors to the Board for approval.

Remuneration of Directors in their Capacity as such

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

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

Executive Director Remuneration

The Chief Executive Officer is the only director currently undertaking managing tasks and receives additional amounts in consideration for the performance of such functions under the Services Agreement signed with the Company. These amounts include: (i) a fixed remuneration component; (ii) a variable remuneration component (including short-term and long-term components); and (iii) other benefits as described in this Report.

Pursuant to the CCA, the Company Bylaws and the Board of Directors Regulation, the Appointments, Remuneration and CSR Committee submits to the Board of Directors its proposal for the modification of the Executive Director's remuneration, taking into account the remuneration analyses of similar companies providing specialised external consultancy services, as well as the reports and proposals prepared by the Company's Compensation Department (Human Resources).

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

Notwithstanding the foregoing, for the current year (2021), and due to the suspension of the short-term and long-term remuneration schemes agreed in 2020 (as explained further below), the Committee has not assessed the goals associated with variable remuneration for the previous year and has not approved any increase in fixed remuneration.

Relative relevance of variable remuneration items with respect to fixed remuneration items (remuneration mix); criteria and goals taken into account to determine these items and to achieve an appropriate balance between fixed and variable remuneration items. In particular, please identify any actions adopted by the Company with respect to the remuneration system, aiming at reducing excessive risk exposure and adapting the system to the Company's long-term goals, values and interests, including, where appropriate, references to: any measures envisaged to ensure that the remuneration policy is aligned with the Company's long-term goals; any measures adopted in relation to staff categories whose professional activities have a material impact on the Company's risk profile; and any measures envisaged to avoid conflicts of interests.

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

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

The goals associated to short-term variable remuneration are annually set by the Appointments, Remuneration and CSR Committee, which generally sets such goals during the first quarter.

As regards the long-term variable remuneration component (the so-called Multi-year Remuneration), it is associated with the performance of the Company Strategic Plan as described in the Remuneration Policy, and has a three-(3)-year ordinary accrual period with a one-(1)-year grace period.

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

When determining the CEO remuneration scheme in the proposal submitted to the Board of Directors, the Appointments, Remuneration and CSR Committee analysed several market salary studies for similar positions in companies of a similar type and capital level, using data from internationally reputed consultancy firms and from public sources (including the CNMV's annual reports on remuneration).

However, due to the current context and circumstances of the Company, the Appointments, Remuneration and CSR Committee, at its meeting of 11 February 2021, and after confirming the final suspension of the short-term and long-term remuneration schemes for 2020, decided to temporarily put off the setting of goals

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associated to the short-term and long-term variable remuneration for 2021. The Committee shall propose a new set of goals to the Board of Directors as soon as it has a clearer picture of the impact of the pandemic on the Company's business.

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

In particular, during the goal and parameter setting procedure associated to the short-term variable remuneration scheme for 2021, the Committee shall pay special attention to the risk of pandemic and the socioeconomic situation caused by COVID-19 and its impact on the Company.

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

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

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

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

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- Code of Ethics: Establishing that directors and managers must be a role model of leadership for their teams, acting in an exemplary manner when facing conflicts and complex situations.
- Internal Code of Conduct: Document applicable to all persons who may have access to stock market information by reason of their position or functions.
- Human Resources Regulations: Specifically, governing obligations with respect to conflicts of interests and the use of confidential and inside information.
- Executive Behaviour Regulations: Document regulating potential conflicts of interests that may arise in the Company.

Also state whether the company has established any accrual or vesting period for certain variable remuneration items, whether in cash, shares or other financial instruments; any deferment period for the settlement of due amounts or the delivery of already accrued and vested financial instruments; or whether a specific provision was approved reducing deferred remuneration amounts not yet vested or requiring directors to return any received amount to the extent that such remuneration was based on data which turned out to be manifestly inaccurate later on.

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

Regarding the CEO's variable remuneration, in line with good governance principles on remuneration, the settlement of short-term and long-term variable remuneration amounts is deferred, i.e. payment is made following a reasonable period after the end of the year (the last year, where applicable). In particular, upon proposal by the Appointments, Remuneration and CSR Committee, payment is effectively made within 60 calendar days following the issuance of the annual accounts for the financial year comprising the relevant goals set for the CEO, once the accounts have been reviewed by external auditors.

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

As regards clawback provisions, i.e. provisions requiring a director to return already received amounts, as stated in the first section of this Report, both the Remuneration Policy and the CEO's Services Agreement include such provisions, allowing the Company to claim the (total or partial) reimbursement of variable remuneration amounts, provided that any of the following events occur within three (3) years after payment:

- If the calculation and payment of variable remuneration was based on information manifestly incorrect or inaccurate.
- If the director is found in breach of the Code of Ethics and/or other internal regulation.

On the other hand, as concerns reduction (malus) provisions, these are currently not applicable, since they are not included in the CEO's Services Agreement or the Remuneration Policy. However, malus provisions are expected to be incorporated in the new Remuneration Policy for the years 2022 to 2024, in line with the new recommendations of the Good Governance Code of Listed Companies.

Amount and nature of fixed remuneration components to accrue this year for directors in their capacity as such.

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

- A fixed annual salary in the amount of TWENTY-ONE THOUSAND SIX HUNDRED AND THIRTY-SIX EUROS AND FORTY-THREE CENTS (€ 21,636.43) for each director for the current year.
- Attendance fees for the Board of Directors and Committee sessions they have actually attended in the following amounts for the current year:
 - FIVE THOUSAND FOUR HUNDRED AND NINE EUROS AND ELEVEN CENTS (€ 5,409.11) for each Board meeting.
 - THREE THOUSAND EUROS (€ 3,000) for each meeting of a Committee of which the director is a member.
 - The Chairman of the Appointments, Remuneration and CSR Committee and the Chairman of the Audit and Compliance Committee additionally receive THREE THOUSAND EUROS (€ 3,000) for each meeting.
 - The Secretary of the Board of Directors additionally receives SIX THOUSAND EUROS (€ 6,000) for each Board meeting.

Amount and nature of fixed remuneration components to accrue this year for executive directors as a consideration for their top management functions.

In addition to the above, the CEO's remuneration package includes a fixed annual amount as a consideration for the executive duties performed under his Services Agreement. At the date of issuance of this Report (25 February 2021), the CEO receives a fixed gross annual remuneration of SEVEN HUNDRED AND SIXTY-ONE THOUSAND AND EIGHTY-EIGHT EUROS AND SIX CENTS (€ 761,088.06). This is equivalent to the amount agreed in the CEO's Services Agreement.

However, as an extension of the salary reduction measures approved in 2020, the Appointments, Remuneration and CSR Committee agreed during its meeting of 11 February 2021 to propose to the Board an extension of the 25% reduction in the CEO's fixed remuneration until 31 March 2021.

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

- **Medical Insurance:** Pursuant to the Remuneration Policy and the CEO's Services Agreement, the CEO has private medical insurance covering himself and his family for a yearly premium of five thousand eight hundred and ninety-nine euros and ninety-eight cents (€ 5,899.98).
- **Life and Accident Insurance:** The CEO also has life and accident insurance for a yearly premium of three thousand two hundred and twelve euros and seventeen cents (€ 3,212.17) with the following coverage:
 - € 650,000 in the event of death for any cause;
 - € 650,000 in the event of disability for any cause;
 - € 650,000 in the event of death by accident.

Amount and nature of variable remuneration components, distinguishing between short-term and long-term components. Financial and non-financial parameters, including social, environmental and climatic change parameters, selected to determine variable remuneration in the current year. Please explain to what extent these parameters relate to the director's performance as well as the Company's performance and risk profile, also stating the methodology, necessary time span and techniques required to determine the actual degree of compliance of variable remuneration parameters at year end, and explain the factors and criteria applied in respect of the necessary time span and techniques used to verify actual compliance with performance and other conditions associated with the accrual and vesting of each variable remuneration component.

Please indicate the range, in monetary terms, of the different variable components according to the degree of compliance of specified goals and parameters, and whether there is any maximum monetary amount in absolute terms.

As regards the parameters of the CEO's short-term variable remuneration scheme for the current year, the Appointments, Remuneration and CSR Committee has agreed to postpone any decision until a clearer picture of the Company's future evolution and business prospects is attained.

At any rate, the short-term variable remuneration scheme shall be in accord with the Remuneration Policy, that is:

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- It shall be determined as a percentage of fixed remuneration (in previous years, before the pandemic, such percentage was 60%), with a minimum theoretical collection rate of 0% and a maximum of 150%, and an intermediate evaluation scale ranging from 60% to 150% according to goal categories.
- The goals set for purposes of determining short-term variable remuneration shall be linked to the Company's most critical results. In the current case, goals may be based on the management of the Company in the context of the COVID-19 crisis.
- The goals within the remuneration scheme shall be divided into economic and non-economic goals, including goals of a non-financial nature.

Main features of long-term saving plans. Please specify, among others, which contingencies are covered by the plan, whether it is a defined-contribution or a defined-benefit plan, any annual contributions to be made in the case of defined-contribution plans, any benefits accrued to beneficiaries in the case of defined-benefit plans, the terms and conditions governing the vesting of economic rights in favour of directors and the compatibility of such rights with any severance payments or compensations for early termination or dismissal, or derived from the termination of the contractual relationship between the Company and the director under the agreed terms.

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

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

Its basic features are as follows:

- Defined-contribution plan establishing a maximum annual contribution of 10% of his pensionable salary (equivalent to his fixed salary only and regardless of any reductions that may be approved during the year).
- The plan benefits are illiquid, so that they may only be received upon occurrence of any of the contingencies covered by the plan (retirement, disability or death).
- Retirement, disability and death benefits shall be equivalent to the accumulated balance in the insurance policy taken out, subject to the characteristics and particularities of the policy.
- The beneficiaries of the retirement plan in the event of occurrence of any of the contingencies covered by the plan shall be the CEO himself (in the event of retirement or disability) and the person designed in the beneficiary designation form (in the event of death of the insured). If no beneficiary is expressly designed,

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the following order of precedence shall apply by exclusion: the insured's spouse, otherwise his children, otherwise his parents, otherwise his legal heirs.

- In the event of removal from office for causes other than those covered by the retirement plan, the CEO shall have no rights on the accumulated balance.

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

Any kind of severance payment or compensation for early termination or dismissal, or derived from the termination of the contractual relationship pursuant to the terms agreed by the Company and the director, whether the contract is terminated by the Company or by the director, as well as any other specific covenants such as exclusivity, non-competition after termination, or tenure or loyalty provisions resulting in the director's right to receive any compensation.

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

As regards compensations, this Services Agreement provides for compensation to the CEO in an amount equivalent to one year's total remuneration if any of the following events occur:

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

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

Please specify the requirements that must be met by the agreements signed with those performing top management functions as executive directors. Among others, report on the duration, compensation caps, tenure provisions, notice periods and payments in lieu of notice periods, and any other provisions relating to hiring bonuses, as well as severance payments or golden parachute clauses for early cancellation or termination of the contractual relationship between the Company and the executive director. Please include, among others, any covenants or provisions regarding non-competition, exclusivity, tenure or loyalty and non-competition after termination to the extent that they were not described in the section above.

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

Additionally, several contractual amendments have been signed during 2020 and 2021 in order to provide for the fixed remuneration reductions approved in these years.

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

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

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

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

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

Nature and estimated amount of any other supplementary remuneration accrued to directors in the current year as a consideration for services other than those derived from their position.

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

Other remuneration items, such as those derived from advances, loans or guarantees granted by the Company to the director, if any, and other allowances.

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

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Nature and estimated amount of any other planned supplementary remuneration items not included in the sections above, whether paid by the Entity or any other Group entity, to accrue to directors in the current year.

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

A.2 *Please explain any relevant change in the remuneration policy applicable during this year resulting from:*

A new policy or policy modification already approved by the General Meeting.

Any relevant changes in the specific resolutions passed by the Board for the Remuneration Policy for the current year with respect to the previous year.

Any proposals to be submitted by the Board of Directors to the General Shareholders' Meeting together with this Annual Report for implementation in the current year.

The Remuneration Policy applicable in the current year (2021) is the Remuneration Policy approved by the General Shareholders' Meeting on 6 June 2018, applicable to the 2019-2021 three-year period.

This Policy was modified by the General Shareholders Meeting on 18 June 2019 to incorporate the terms and conditions governing the clawback provision in the remuneration scheme of the CEO.

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

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

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

A.3 *Please provide a direct link to the document containing the Company's applicable Remuneration Policy, which should be available on its corporate website.*

[https://www.meli-hotels-international.com/en/shareholdersAndInvestors/Documents/Remun_Consejo/MHI_Pol%C3%ADtica_remuneraci%C3%B3n_2019-2021%20\(v2019\)_ENG.pdf](https://www.meli-hotels-international.com/en/shareholdersAndInvestors/Documents/Remun_Consejo/MHI_Pol%C3%ADtica_remuneraci%C3%B3n_2019-2021%20(v2019)_ENG.pdf)

A.4 *Based on the data provided in Section B.4, explain how the General Shareholders' Meeting's advisory vote on the previous year's Remuneration Report has been taken into account.*

On 10 July 2020, the General Shareholders' Meeting approved with 99.84% of votes in favour the 2019 Annual Report on the Remuneration of Directors, which had been previously approved by the Board of Directors on 26 February 2020. This high percentage (even higher than the excellent 97.28% of positive votes that were recorded at the approval of the 2018 Annual Report on the Remuneration of Directors) is indicative of the support given by shareholders to our Remuneration Policy.

	2018 General Meeting	2019 General Meeting	2020 General Meeting
ARR Approval %	94.89%	97.28%	99.84%

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

B. OVERVIEW OF THE REMUNERATION POLICY IMPLEMENTATION IN THE YEAR ENDED

B.1 *Please explain the process followed to implement the Remuneration Policy and to determine individual remuneration as detailed in Section C of this Report. This information should include the role played by the Remuneration Committee, the decisions made by the Board of Directors and, where appropriate, the identity and role of any external advisors engaged in the Remuneration Policy implementation process in the year ended.*

As explained in Section A.1 above, the Remuneration Policy of the Board applicable during 2020 was approved by the General Shareholders' Meeting on 6 June 2018 and was later modified by the General Shareholders' Meeting on 18 June 2019.

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

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

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

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The CEO's fixed remuneration was reviewed in February 2020 following the proposal of the Appointments, Remuneration and CSR Committee approved by the Board of Directors. After the relevant analyses were made and in line with the salary policy applicable to the rest of Group employees, the Committee proposed an increase of 1.5% for 2020, although this increase was not implemented.

Notwithstanding the foregoing, in March, in the context of the economic and health crisis provoked by COVID-19 and in the face of uncertainty, the CEO, acting on his own initiative, proposed to the Committee a 50% reduction in his fixed salary and the temporary suspension of his variable remuneration scheme.

Following this request, the Committee, at its session held on 15 May 2020, prepared the relevant proposal for the modification of the CEO's Services Agreement, which was duly approved by the Board of Directors on 18 May 2020. Moreover, in line with this salary reduction and expense-cutting measure, the members of the Board's Specialised Committees also proposed a 50% reduction in their Committee attendance fees.

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

In the months of July and September 2020, both the CEO and the Appointments, Remuneration and CSR Committee reviewed these pay reduction and expense-cutting measures, agreeing on the following:

- Firstly, to extend the 50% reduction in attendance fees for Committees until 31 December 2020.
- To maintain the suspension of the CEO's short-term and long-term remuneration scheme.
- To implement a 25% reduction (instead of 50%) to the fixed remuneration of the CEO until 31 December 2020.

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

Additionally, the Compensation team (Human Resources area) and the Corporate Governance team have attended numerous webinars and events on the subject matter of remuneration under COVID-19.

B.2 Please explain the different actions adopted by the Company in connection with the remuneration system and how they helped reduce excessive risk exposure and align it with the Company's long-term goals, values and interests, including references to: any measures adopted to ensure that the long-term results of the company are taken into account when defining accrued remuneration and to strike an appropriate balance between fixed and variable remuneration components; any measures adopted in relation to those staff categories whose professional activities have a material impact on the Entity's risk profile; and any measures adopted to avoid possible conflicts of interests, where applicable.

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As explained in Section A.1, and to the extent that the Remuneration Policy remained unmodified to this regard with respect to the previous year, the main actions intended to reduce risk in the remuneration systems are based on the following:

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

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

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

- If the calculation and payment of variable remuneration was based on information manifestly incorrect or inaccurate.
- If the director is found in breach of the Code of Ethics and/or other internal regulation.

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

Below is an outline of the different measures adopted by the Committee, the Board and the directors themselves relating to the remuneration system during the year 2020:

- The Vice-President and Chief Executive Officer, as well as the senior executive team and the Company's top management voluntarily decided to reduce their fixed remuneration by 50% during four months, starting from mid-March, and by 25% until 31 December 2020.
- Along the same line, the remuneration of Board members for their presence at Committees (attendance fees) was reduced by 50% from March until 31 December 2020.

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- Additionally, the CEO's short-term and long-term remuneration scheme for the year 2020 was suspended in March 2020 following the declaration of the state of emergency.

All the foregoing is in line with what was explained in Section A.1 above.

B.3 *Please explain how the remuneration accrued and vested during this year complies with the applicable Remuneration Policy.*

Also report on the relationship between the remuneration received by directors and the Entity's results and other short-term and long-term performance indicators. Explain, where applicable, any impact that variations in the Company's performance may have had on the variations in the remuneration of directors, including accrued amounts with deferred payment, and how remuneration influences the Company's short-term and long-term performance.

Both the remuneration of directors in their capacity as such and the remuneration of the Executive Director comply with the Board's Remuneration Policy applicable during the 2020 financial year.

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

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

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

Notwithstanding the foregoing, due to the situation that the Company (and society as a whole) is currently undergoing, the remuneration scheme of directors in their capacity as such has also been affected by the variations in the Company's performance. Thus, as has been explained above, the remuneration received by directors in their capacity as such (especially their Committee attendance fees) has been reduced as compared to previous years. All adjustments have been made in accordance with the Remuneration Policy currently in force and, especially, based on principles of prudence and long-term value creation.

The CEO's (short-term and long-term) variable remuneration package for 2020 has been definitively suspended, as indicated above and as reported to market entities via Inside Information notices or Other Relevant Information notices.

To this respect, it must be noted that the goals initially set by the Appointments, Remuneration and CSR Committee (and subsequently validated by the Board of

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Directors) on 27 February 2020, which were duly reported in the 2019 ARR, have been suspended, so that no evaluation or review has been made in respect of their fulfilment by the CEO.

The short-term variable remuneration for the year 2020 initially included certain goals linked to the Company's performance. These goals ceased to apply following the suspension of the variable remuneration scheme.

Concerning long-term variable remuneration, it was also suspended as part of the expense-cutting measures adopted in the context of remuneration, so that no amount has accrued under this heading in the year 2020, which shall be considered as a grace period.

B.4. Please report on the outcome of the advisory vote of the General Shareholders' Meeting on the Annual Remuneration Report for the previous year, detailing the number of votes cast against, if any:

	Number	% on the total
Votes cast	156,597,861	71.178%

The percentage of votes cast was calculated based on the total share capital with voting rights.

	Number	% of votes cast
Votes against	66,035	0.042%
Votes in favour	156,353,366	99.84%
Abstentions	178,460	0.114%

B.5 Please explain the method used to determine the fixed remuneration components accrued and vested during the financial year for directors in their capacity as such, and any variation with respect to the previous year.

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

Fixed remuneration components accrued during the 2020 financial year were determined pursuant to the Remuneration Policy applicable in 2020, based on the items described in Section B.3 above:

- A fixed annual salary in the amount of TWENTY-ONE THOUSAND SIX HUNDRED AND THIRTY-SIX EUROS AND FORTY-THREE CENTS (€ 21,636.43) for each director.

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Since the Board is composed of ELEVEN (11) directors,¹ the total amount paid under this heading was TWO HUNDRED AND TWENTY-SEVEN THOUSAND ONE HUNDRED AND EIGHTY-TWO EUROS AND SIXTY-TWO CENTS (€ 227,182.62).

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

With a total of SIX (6) meetings of the Board (and one further session in written form without a meeting), and based on the attendance of each director, the total amount paid as Board attendance fees was THREE HUNDRED AND TWENTY-FOUR THOUSAND FIVE HUNDRED AND FORTY-SEVEN EUROS AND SIXTY CENTS (€ 324,547.60). This amount has remained unaffected despite the celebration of telematic meetings.

- THREE THOUSAND EUROS (€ 3,000) for attending each meeting of the Board's Committees. However, this amount has been reduced by 50%, as noted above, during the second, third and fourth quarters of 2020.

During 2020, a total of EIGHT (8) meetings of the Appointments, Remuneration and CSR Committee and THIRTEEN (13) meetings of the Audit and Compliance Committee were held. Based on each director's attendance to these meetings, the total amount paid as attendance fees for the Committees was ONE HUNDRED AND EIGHTY-FIVE THOUSAND ONE HUNDRED AND THIRTY-SIX EUROS AND FORTY-FOUR CENTS (€ 185,136.44), including ONE HUNDRED AND TWENTY-FIVE THOUSAND ONE HUNDRED AND THIRTY-SIX EUROS AND FORTY-FOUR CENTS (€ 125,136.44) for Audit and Compliance Committee meetings and SIXTY THOUSAND EUROS (€ 60,000) for Appointments, Remuneration and CSR Committee meetings.

The Chairman of the Appointments, Remuneration and CSR Committee and the Chairman of the Audit and Compliance Committee additionally earn THREE THOUSAND EUROS (€ 3,000) for each Committee meeting. These amounts have also been reduced by 50% during the second, third and fourth quarters of 2020.

Based on the attendance of each Chairman to their Committee meetings and in accordance to the pay reduction measures applied during the reporting period, the amount accrued under this heading was THIRTEEN THOUSAND FIVE HUNDRED EUROS (€ 13,500) for the Appointments, Remuneration and CSR Committee Chairman and TWENTY-TWO THOUSAND FIVE HUNDRED EUROS (€ 22,500) for the Audit and Compliance Committee Chairman.

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

¹ The Board of Directors is composed of ELEVEN (11) directors. However, a total of TWELVE (12) directors sat on the Board during 2020.

Thus, there has been no variation in the remuneration structure of fixed components in 2020, apart from the modification (reduction) of Committee attendance fees.

Variations with respect to the previous year (2019) are due to differences in the number of Committee meetings and, above all, to the impact of the said attendance fee reduction measures.

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

B.6 Please explain the method used to determine the salaries accrued and vested during the financial year for executive directors as a consideration for their management duties, and whether they differ from the previous year.

The salary accrued to the Company's Executive Director in the 2020 financial year amounts to FIVE HUNDRED AND SEVENTY-EIGHT THOUSAND THREE HUNDRED AND THIRTY-SEVEN EUROS AND FIFTY-SIX CENTS (€ 578,337.56).

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

Specifically, the CEO voluntarily decided to cut down his fixed remuneration by 50% during four months starting from mid-March, and by 25% until 31 December 2020.

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

As regards variations with respect to the previous year (2019), as noted above, the reduction in the amount accrued in 2020 as compared to the amount accrued in the previous year mainly resulted from the pay reduction and expense-cutting measures approved by the Company in the face of the given circumstances and particular context of the year. To this respect, the difference between the salary accrued in 2019 and the salary accrued in 2020 was ONE HUNDRED AND EIGHTY-TWO THOUSAND SEVEN HUNDRED AND FIFTY EUROS AND FIFTY CENTS (€ 182,750.50), that is, the salary accrued during 2020 was 24% down on the previous year. Such difference is mainly due to the remuneration cutdown measures adopted in 2020.

B.7 Please explain the nature and main characteristics of the variable components of the remuneration systems accrued and vested in the year ended.

In particular:

Identify each remuneration scheme determining the different variable remuneration packages accrued to each director during the year ended, including information on scope, approval date, implementation date, vesting requirements (if any), accrual and

validity periods, criteria used to assess performance and their impact on the calculation of accrued variable amounts, as well as the measurement criteria that were used and the time span deemed necessary to adequately evaluate all agreed requirements and criteria. Provide a detailed explanation of the factors and criteria applied in respect of the necessary time span and techniques used to verify actual compliance with performance and other conditions associated with the accrual and vesting of each variable remuneration component.

For share option plans and other financial instruments, the general characteristics of each plan shall include information on vesting requirements and the terms and conditions governing the exercise of such share options or financial instruments, including price and exercise period.

Please identify each director and his or her category (i.e. executive director, proprietary external director, independent external director, or other external directors) who benefit from remuneration systems or plans comprising variable remuneration.

Where appropriate, provide information on the established periods for accrual, vesting or deferral in the payment of vested amounts that have been applied and on withholding/unavailability periods for shares or other financial instruments, if any.

Please explain the short-term variable components of these remuneration systems.

Only the CEO's remuneration package comprises a variable remuneration component, including short-term and long-term items.

In accordance with the Remuneration Policy, short-term variable remuneration items are set as a percentage of fixed remuneration. In 2020, this percentage was initially set at 60% of total fixed remuneration (hereinafter, the "Target Amount").

This Target Amount involves a theoretical minimum collection amount of 0% and a maximum of 141%, based on combined evaluation scales and the weight assigned to each goal.

According to the above, the theoretical maximum amount of short-term variable remuneration for 2020 – prior to the agreed suspension of the variable remuneration scheme – was SIX HUNDRED AND FORTY-THREE THOUSAND EIGHT HUNDRED AND SIX EUROS (€ 643,806), with a minimum of ZERO EUROS (€ 0).

At the date of this Report (February 2021), the CEO's short-term and long-term variable remuneration scheme for 2020 has been definitively suspended, and therefore the Appointments, Remuneration and CSR Committee has not performed any evaluation of the goals initially set for short-term variable remuneration at its meeting of 26 February 2020.

To this respect, no short-term variable remuneration amount has accrued to (or vested in) the CEO during 2020. There is therefore no other aspect to be explained in respect hereof (parameters, accrual, criteria, etc.).

As regards the short-term variable remuneration paid to the CEO in 2020 based on the goals set for 2019, this amount totalled THREE HUNDRED AND TWENTY-EIGHT THOUSAND NINE HUNDRED AND FORTY-EIGHT EUROS AND FIFTY-NINE CENTS (€ 328,948.59).

Please explain the long-term variable components of the remuneration systems

As indicated above, no long-term variable amount accrued to the CEO during 2020, as his short-term and long-term variable remuneration scheme for 2020 was definitively suspended by agreement of the Appointments, Remuneration and CSR Committee of 11 February 2021 subsequently approved by the Board of Directors on 25 February 2021.

B.8. *Please indicate whether any accrued variable remuneration components were reduced, in the case of non-vested amounts with deferred payment, or clawed back, in the case of vested amounts already paid, where the underlying data were later shown to be manifestly inaccurate. Describe any amounts that were reduced or clawed back pursuant to malus or clawback provisions, why these were enforced and the corresponding financial year.*

According to what was explained above, and in line with the Recommendations of the Good Governance Code of Listed Companies, the CEO's Services Agreement was modified in 2019 to incorporate a reimbursement or reduction mechanism (clawback) with respect to variable remuneration. This also implied a modification of the Remuneration Policy that was approved by the General Shareholders' Meeting on 18 June 2019.

The Company did not reduce or claim the reimbursement of any amounts with respect to the CEO's variable remuneration during the 2020 financial year. This goes without prejudice to the functions assigned to the Appointments, Remuneration and CSR Committee in relation to this matter, considering the fact that the valid period to claim a reduction or reimbursement of any amount under the clawback provision is THREE (3) years from payment or settlement.

As for malus provisions, these are not currently applicable because they are not included in the CEO's Services Agreement or the Remuneration Policy. However, they are expected to be incorporated in the new Remuneration Policy for the years 2022 to 2024, in line with the new recommendations of the Good Governance Code of Listed Companies.

B.9 *Please explain the main characteristics of the long-term saving plans whose amount or equivalent annual cost is shown on the tables of Section C, including retirement and any other survivor benefit, which are totally or partly financed by the Company, whether through internal or external contributions, and indicate the type of plan, whether it is a defined-contribution or defined-benefit plan, its contingency coverage, the conditions for the vesting of economic rights in directors, and whether they are compatible with any compensation for early termination or end of the contractual relationship between the Company and the director.*

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A Social Welfare Plan was incorporated into the CEO's remuneration scheme in accordance with the applicable Remuneration Policy. The contributions to the Plan were initiated during the 2020 financial year, their main characteristics being the following:

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

During 2020, contributions to this Plan amounted to SEVENTY-SIX THOUSAND ONE HUNDRED AND EIGHT EUROS (€ 76,108).

B.10 Please explain, where applicable, any compensations or severance payments derived from early dismissal, whether at the initiative of the Company or the director, or from the termination of the agreement pursuant to the terms thereof which have accrued and/or have been received by directors in the year ended.

N/A

B.11 Please indicate whether any relevant modification was made in the agreements signed with persons performing top management duties as executive directors, explaining them where appropriate. Also explain the main terms and conditions of the new agreements signed with executive directors during the financial year, unless they were explained in Section A.1.

The CEO's Services Agreement was modified during 2020 in order to adapt it to the reductions in fixed remuneration agreed by the Appointments, Remuneration and CSR Committee and upon request of the CEO himself. None of these modifications is significant.

B.12 Please explain any supplementary remuneration amount accrued to directors as a consideration for services other than those inherent to their position.

N/A

B.13 Please explain any remuneration in the form of advances, loans or guarantees, indicating their interest rates, key features and any amounts eventually repaid, as well as any liabilities incurred for directors by way of guarantee.

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

B.14 Please detail any remuneration in kind accrued to directors during the financial year, providing a brief description of each salary component.

During the 2020 financial year, and in accordance with the remuneration scheme described throughout this Report, the only director receiving remuneration in kind was the CEO:

Private Medical Insurance: The CEO has private medical insurance covering himself and his family for an annual premium of FOUR THOUSAND FIVE HUNDRED AND THIRTY-SIX EUROS AND SIXTEEN CENTS (€ 4,536.16).

Life and Accident Insurance: The CEO also has life and accident insurance for a yearly premium of THREE THOUSAND FORTY-THREE EUROS (€ 3,043.00) with the following coverage:

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

B.15 Please explain the remuneration accrued to the director derived from payments made by the listed company to a third entity to which the director provides services, when such payments are intended to remunerate the directors' services for the company.

N/A

B.16 Please explain any remuneration items other than those detailed above, whatever their nature or the Group company paying them, especially when this may be considered a related-party transaction or where its issuance may distort the true image of the total remuneration accrued to the director.

In addition to the amounts and remuneration items described above, the CEO has received SEVENTY-SEVEN THOUSAND EIGHT HUNDRED AND FIFTY-EIGHT EUROS AND SEVENTY-EIGHT CENTS (€ 77,858.78) in allowances as a member of the governing bodies of the following Group companies:

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- THIRTY-SEVEN THOUSAND FOUR HUNDRED AND SIXTY-THREE EUROS (€ 37,463.00) per year from the German company Sol Melia Deutschland GmbH.
- TWENTY-THREE THOUSAND ONE HUNDRED AND THIRTY-SEVEN EUROS AND SEVENTY-EIGHT CENTS (€ 23,137.78) per year (equivalent to £ 21,089.95) from the English company Lomondo Limited; and
- SEVENTEEN THOUSAND TWO HUNDRED AND FIFTY-EIGHT EUROS (€ 17,258.00) per year from the French company Sol Melia France, S.A.S.

The remuneration received by the CEO under these headings has also been reduced during the year 2020 as a result of the pay cut measures described throughout this Report.

C. DETAILED INDIVIDUAL REMUNERATION FOR EACH DIRECTOR

<i>Name</i>	<i>Category</i>	<i>2020 Accrual Period</i>
Mr Gabriel Escarrer Juliá	Proprietary Director	From 01.01.2020 to 31.12.2020
Mr Gabriel Escarrer Jaume	Executive Director	From 01.01.2020 to 31.12.2020
Ms María Antonia Escarrer Jaume (Hoteles Mallorquines Consolidados, S.L.)	Proprietary Director	From 01.01.2020 to 31.12.2020
Mr Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)	Proprietary Director	From 01.01.2020 to 31.12.2020
Mr Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	Proprietary Director	From 10.07.2020 to 31.12.2020
Mr Juan Arena de la Mora	Independent Director	From 01.01.2020 to 31.12.2020
Mr Luis María Díaz de Bustamante y Terminel	Independent Director	From 01.01.2020 to 31.12.2020
Mr Fernando d'Ornellas Silva	Independent Director	From 01.01.2020 to 31.12.2020
Mr Francisco Javier Campo García	Independent Director	From 01.01.2020 to 31.12.2020
Ms Carina Szpilka Lázaro	Independent Director	From 01.01.2020 to 31.12.2020
Ms Cristina Henríquez de Luna Basagoiti	Independent Director	From 01.01.2020 to 31.12.2020
Mr Sebastián Escarrer Jaume	Proprietary Director	From 01.01.2020 to 16.05.2020

C.1 Please fill in the following tables in relation to the individual remuneration of each director (including any remuneration for the performance of executive duties, where appropriate) accrued during the year.

(a) Remuneration paid by the Company referred to in this Report

(i) Accrued remuneration in cash (thousands of €)

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<i>Name</i>	<i>Fixed Remuneration</i>	<i>Attendance Fees</i>	<i>Remuneration as a Member of Board Committees</i>	<i>Salary</i>	<i>Short-term Variable Remuneration</i>	<i>Long-term Variable Remuneration</i>	<i>Compensation</i>	<i>Other Items</i>	<i>Total for the year 2020</i>	<i>Total for the year 2019</i>
Mr Gabriel Escarrer Juliá	22	32							54	49
Mr Gabriel Escarrer Jaume	21.64	32.45		578.34					632	1,144
Ms María Antonia Escarrer Jaume (Hoteles Mallorquines Consolidados, S.L.)	22	46							68	78
Mr Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)	22	32							54	27
Mr Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	5	16							22	-
Mr Juan Arena de la Mora	22	55							77	68
Mr Luis María Díaz de Bustamante y Terminel	22	82							104	114
Mr Fernando d'Ornellas Silva	22	88							110	132
Mr Francisco Javier Campo García	22	85							107	112
Ms Carina Szpilka Lázaro	22	61							83	84
Ms Cristina Henríquez de Luna Basagoiti	22	46							68	27
Mr Sebastián Escarrer Jaume	5	5							11	49
Mr Alfredo Pastor Bodmer	-	-							-	42
Mr Juan Vives Cerdá	-	-							-	10

The figures provided in this section may show unimportant variations with respect to other documents containing information on the remuneration of directors already published or to be published by Meliá, resulting from the need to complete this Report with figures expressed in thousands of euros.

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(ii) Table of changes in remuneration systems based in shares and gross profit from the shares or vested financial instruments.

N/A

(iii) Long-term saving plans

Name	Contribution for the year by the Company (thousands of €)				Amount of accumulated funds (in thousands of €)			
	Savings plans with vested economic rights		Savings plans with non-vested economic rights		Savings plans with vested economic rights		Savings plans with non-vested economic rights	
	2020	2019	2020	2019	2020	2019	2020	2019
Mr Gabriel Escarrer Jaume			76	76				

(iv) Other items

Name	Item	Remuneration amount
Mr Gabriel Escarrer Jaume	Life insurance	3
Mr Gabriel Escarrer Jaume	Health insurance	6

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(b) Remuneration paid to Company directors for their membership in boards of other Group companies:

(i) Accrued remuneration in cash (thousands of €)

<i>Name</i>	<i>Fixed remuneration</i>	<i>Attendance fees</i>	<i>Remuneration as member of Board Committees</i>	<i>Salary</i>	<i>Short-term variable remuneration</i>	<i>Long-term variable remuneration</i>	<i>Compensation</i>	<i>Other items</i>	<i>Total for the year 2020</i>	<i>Total for the year 2019</i>
Mr Gabriel Escarrer Jaume		78							78	107

(ii) Table of changes in remuneration systems based in shares and share gross profit or vested financial instruments.

N/A

(iii) Long-term saving plans

N/A

(iv) Other items

N/A

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c) Remuneration summary (in thousands of €):

The summary must include all remuneration amounts accrued to each director as shown in this Report, in thousands of euros.

Name	Remuneration accrued at the Company					Remuneration accrued at other Group companies				
	Total remuneration in cash	Gross profit from shares or vested financial instruments	Remuneration via savings plans	Remuneration via other items	Total for 2020 at the Company	Total remuneration in cash	Gross profit from shares or vested financial instruments	Remuneration via savings plans	Remuneration via other items	Total for 2020 at other Group companies
Mr Gabriel Escarrer Juliá	54				54					
Mr Gabriel Escarrer Jaume	632			9	641	78				78
Ms María Antonia Escarrer Jaume (Hoteles Mallorquines Consolidados, S.L.)	68				68					
Mr Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)	54				54					
Mr Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	22				22					
Mr Juan Arena de la Mora	77				77					
Mr Luis María Díaz de Bustamante y Terminel	104				104					
Mr Fernando d'Ornellas Silva	110				110					
Mr Francisco Javier Campo García	107				107					
Ms Carina Szpilka Lázaro	83				83					
Ms Cristina Henríquez de Luna Basagoiti	68				68					
Mr Sebastián Escarrer Jaume	11				11					
TOTAL	1,387			9	1,396	78				78

D. OTHER RELEVANT INFORMATION

Please give a brief explanation of any relevant aspect related to the remuneration of directors which could not be included in the previous sections of this Report, but which is necessary in order to provide a comprehensive and reasonable view of the remuneration structure and practices implemented by the Company with respect to directors.

Note to Section C.1(a)(i) (“Other Items”):

The amount of the CEO's insurance life premium is reported in Sections C.1(a)(iv) and C.1(c) as “Other Items”.

General note in relation to the 2019 Annual Remuneration Report (“2019 ARR”):

For transparency purposes, it is appropriate to include here the following clarifications or remarks with respect to certain data published in the 2019 ARR:

- In relation to the information published concerning the short-term variable remuneration scheme for 2020, as already noted in previous paragraphs in this Report, the scheme was suspended by agreement of the Appointments, Remuneration and CSR Committee, and therefore the goals and metrics specified in Section A of the 2019 ARR did not apply.
- The 2019 ARR also stated that the proposal to increase the CEO's fixed remuneration for 2020 would be 1.5%. However, this increase has not been implemented due to the pay reduction and expense-cutting measures explained in this Report.

This Annual Remuneration Report was approved by the Company's Board of Directors on 25 February 2021.

Please indicate whether any director voted against or abstained in relation to the approval of this Report: **NO**.