

2023 Annual Report on the Remuneration of Directors

29 February 2024

PREAMBLE

This Annual Report on the Remuneration of Directors has been reported by the Appointments, Remuneration and Sustainability 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 541 of the Spanish Corporate Enterprises Act.

This Report, which was unanimously approved by the Board of Directors at its meeting held on 29 February 2024, will be put to the consultative vote of the shareholders at the Ordinary General Shareholders' Meeting for 2024, as a separate item on the agenda.

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, Remuneration Policy) is available on the corporate website of Meliá Hotels International.

DEFINITIONS

Senior Management: Members of the Group's Executive Committee, also known as the Senior Executive Team (SET).

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

Committee or 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) Chairman and Chief Executive Officer of Meliá and, for the purposes of this Report, the only Director with executive functions.

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.

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

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.

Policy or Remuneration Policy: Remuneration Policy of Meliá for 2022 to 2024.

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

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

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

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

The Remuneration Policy applicable to 2024 is the Remuneration Policy for years 2022 to 2024, which was approved by the General Shareholders' Meeting of Meliá Hotels International, S.A. held on 10 June 2021.

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

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

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

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

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

- To promote profitability, business strategy and the interest and long-term sustainability of the Company and, at the same time, adopt the necessary measures to avoid excessive risk-taking and compensation of unfavourable results.
- To implement a remuneration scheme in line with dedication and responsibilities assumed by Directors as well as with market conditions (taking into account similar sectors and companies), in order to attract and retain the

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most suitable profiles to cover the knowledge, skills and experience required in the Board, ensuring that there are candidates suitable to hold office.

- To motivate and reinforce the achievement of results of the Company and the Group.
- To promote transparency and commitment to provide information to shareholders and investors.
- To include the applicable principles governing the Policy in the remuneration policy applicable to the other employees within the Group (schemes tailored to dedication and responsibility, long-term results, talent retention, etc.).

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

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

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

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

In the amendment to the Regulations of the Board carried out in June 2022, the responsibilities in terms of remuneration of the Committee were increased, including the following (in Article 15):

- To verify the information on remuneration of Directors and Senior Executives included in the various corporate documents.

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- To propose the determination or verification of the accrued remuneration of Directors and senior executives and assess the degree of compliance with the criteria and objectives set.

Remuneration of Directors in their capacity as such

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

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 Sustainability Committee based on the functions and responsibilities assumed by each Director, their participation in Specialised Committees and their position in the same (member, Chairman, etc.), and other relevant objective and subjective circumstances (see "*Amount and nature of fixed components that are due to be accrued during the year by Directors in their capacity as such*"), as well as on the analysis of remuneration data of similar companies from external expert consultants conducted by the Human Resources Department.

Executive Director's Remuneration

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

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

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

In the current year (2024), such review was carried out by the Appointments, Remuneration and Sustainability Committee at the meetings held on 8 and 27 February 2024. The details, amount and methodology used for its determination will be explained throughout this Report.

With regard to the salary review of the Chief Executive Officer for 2024, the Committee, during the financial year 2023, and on the occasion of the appointment of Mr. Gabriel Escarrer Jaume as Executive Chairman (and Chief Executive Officer) on 22 June 2023, based on remuneration studies of comparable companies (benchmarking

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study prepared by an external advisor, as explained in this Report), proposed to the Board of Directors an increase in the annual fixed remuneration of the Chief Executive Officer. The Board of Directors, at its meeting held on 18 October 2023, analysed this proposal in detail and, taking into account that Mr Gabriel Escarrer Jaume has not had any increase since 2018 and that he is now Executive Chairman, in addition to the position of Chief Executive Officer of the Company, the Board of Directors unanimously agreed on the following changes to his remuneration scheme:

- (i) In relation to financial year 2023 and taking into account that the Chief Executive Officer assumed his new duties in mid-year (June 2023) and having held the position of acting Chairman of the Board due to the justified absences of the Chairman of the Board (Mr. Gabriel Escarrer Juliá), the Committee proposed a 10% increase in his short-term variable remuneration. That is, his short-term variable remuneration would be 70% instead of 60% for the financial year 2023.
- (ii) As of 1 January 2024: It was agreed to increase the current fixed remuneration to €900,000 and ten additional points (from 60% to 70%) in the percentage of both the short- and long-term variable remuneration.

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

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

In addition, during 2023, on the occasion of the review of the CEO's remuneration scheme, the Committee received external advice from Willis Tower Watson (WTW), a company specialised in providing advice on senior executive remuneration. At the Committee's request, WTW prepared a benchmarking in which comparable companies in the tourism sector, IBEX 35 and other listed companies were considered.

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

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

As it will be indicated in subsequent sections of this Report, for the preparation of the new Remuneration Policy applicable to financial years 2025 to 2027, which will be submitted for approval at the General Shareholders' Meeting for 2024, the Corporate Governance department has already sought external advice from the firm Cuatrecasas.

Furthermore, as indicated in the previous section, in 2023, the Committee engaged the firm Willis Tower Watson (WTW) to conduct a remuneration benchmark to analyse the remuneration scheme for the CEO.

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

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

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

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

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

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

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

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Currently, such percentage is SEVENTY PERCENT (70%) of annual fixed remuneration (€900,000). This new scheme applies to the financial year commencing on 1 January 2024.

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

The long-term variable component is determined during the first year applicable to the variable remuneration cycle, i.e., for 2022 to 2024 cycle, the objectives, achievement levels and parameters were determined in May 2022.

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

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

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

Regarding long-term variable remuneration, the Committee also links the objectives of this remuneration scheme to the current strategic plan of the Company.

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

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

Additionally, in line with good governance principles, and according to section 6.6 of the Remuneration Policy, short- and long-term variable remuneration is paid following

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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 Sustainability Committee.

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

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

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

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

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

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

In accordance with the Remuneration Policy in force, the Company may introduce remuneration systems referenced to the Company's share price or involving payment in shares or option rights over shares. In this sense, the General Shareholders' Meeting held on 10 July 2020 renewed the authorisation of the Board of Directors to acquire treasury shares, expressly including the following power: "For the purposes of Article

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146 of the Spanish Corporate Enterprises Act, the shares acquired under this authorisation, as well as those already held by the Company, may be delivered in whole or part, either directly or via the exercise of option rights over shares, to the employees or directors of the Company and/or its Group.”

According to the above, at the General Shareholders’ Meeting held on 16 June 2022 a remuneration system partially referenced to the share price was approved for the Executive Director, the Senior Management and other professionals within the Company.

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

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

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

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

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

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

At the meetings of the Appointments, Remuneration and Sustainability Committee held on 8 and 27 February 2024, following the results of the assessment processes of the Board and the Top Executive, and within the framework of a benchmarking study requested by the Committee from the Human Resources and Corporate Governance departments, the Committee proposed to the Board of Directors, which unanimously approved the proposal at its meeting held on 29 February 2024, an increase in the remuneration of the Directors in their capacity as such.

The following factors have been taken into consideration for the adoption of the aforementioned agreement:

- The fact that the scheme and the amounts in force to date have not changed since 2012.

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- According to the CNMV's latest report on directors' remuneration, the average remuneration earned per director is €383,000 (considering both IBEX and non-IBEX 35 listed companies).
- According to this report, the average remuneration per external director in Meliá is €83,000.
- The proposed increase would fall within the maximum amount approved by the General Shareholders' Meeting (€1,200,000).

A summary of the benchmarking is given below:

BENCHMARKING

Company	Revenue 2022 (Millions €)	Employees 2022	Board of Directors size(nº)	Average fixed remuneration External Directors*	Fees Average	Remuneration for membership of Board of Directors / Committees	Total (Average per non-executive director)
MELIÁ HOTELS INTERNACIONAL	2.032	39.229	11	22	0	61	83
LOGISTA	11.464	5.533	12	67	18	4	89
INDRA	3.851	54.816	16	237	0	49	286
CIE AUTOMOTIVE	3.838	24.986	14	155	0	0	155
ACERINOX	8.688	8.319	12	68	61	0	129
APPLUS	2.050	25.280	9	91	0	28	119
ACS	33.615	128.721	15	191	0	57	248
AMADEUS	4.486	18.077	11	121	0	25	146
CELLNEX	3.499	2.929	13	147	0	56	203
ENAGÁS	970	1.365	16	137	44	27	208
MAPFRE	29.510	31.293	15	219	2	63	284
NH HOTEL GROUP	1.759	12.800	10	54	0	0	54
GRIFOLS	6.064	22.311	11	209	0	30	239

*External Directors: includes all Directors other than executive directors, i.e. independent, proprietary and other directors.

In this sense, fixed remuneration of Directors in their capacity as such, after the above-mentioned increase, for the financial year 2024 (with effect from the meeting in March 2024), consists of two components:

- A fixed annual salary in the amount of TWENTY-FOUR THOUSAND TWO HUNDRED AND FIFTY EUROS (€24,250) for each director for the current year.
- Attendance fees for the Board of Directors and Committee meetings they have actually attended in the following amounts for the current year:
 - SIX THOUSAND SIXTY EUROS (€6,060) for each Board meeting.
 - THREE THOUSAND THREE HUNDRED AND SIXTY EUROS (€3,360) for each meeting of a Committee of which the director is a member.
 - The Chairman of the Appointments, Remuneration and Sustainability Committee and the Chairman of the Auditing and Compliance Committee additionally receive THREE THOUSAND THREE HUNDRED AND SIXTY EUROS (€3,360) for each meeting.
 - The Secretary of the Board of Directors additionally receives SIX THOUSAND SEVEN HUNDRED AND TWENTY EUROS (€6,720) for each Board meeting.

In accordance with the above, the percentage increase compared to the previous scheme is 12%. This percentage has been applied to all the items detailed above:

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REMUNERATION OF DIRECTOR IN THEIR CAPACITY AS SUCH

Concept	2023	TOTAL ANNUAL AMOUNT*		2024	% Increase	TOTAL ANNUAL AMOUNT*
FIXED PART						
Fixed annual salary	21.636,44 €	238.000,84 €		24.250,00 €	12%	266.750,00 €
VARIABLE PART						
Attendance fees for the Board of Directors meetings	5.409,11 €	476.001,68 €		6.060,00 €	12%	533.280,00 €
Attendance fees for the Committee meetings	3.000,00 €	240.000,00 €		3.360,00 €	12%	268.800,00 €
Additional fees for the Secretary of the Board of Directors	6.000,00 €	48.000,00 €		6.720,00 €	12%	53.760,00 €
Additional fees for the Chairman of the Committees	3.000,00 €	48.000,00 €		3.360,00 €	12%	53.760,00 €
TOTAL		1.050.002,52 €			12%	1.176.350,00 €

* The following parameters have been taken into consideration in calculating the total annual amount:

- 8 annual meetings of the Board
- 8 annual meetings of each specialised Committee
- A Board consisting of 11 Directors
- 100% attendance
- Committees consisting of 5 members

It has also been verified that with the increase, the maximum annual remuneration is within the parameter approved by the General Meeting (€1,200,000).

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

In addition to the above, the CEO's remuneration package includes a fixed annual amount as a consideration for the executive duties performed under his Services Agreement. At the date of issuance of this Report (29 February 2024), the CEO receives a fixed gross annual remuneration in the amount of NINE HUNDRED THOUSAND EUROS (€900.000). This is equivalent to the amount agreed in the CEO's Services Agreement.

As mentioned above, in 2023 the Board of Directors, upon proposal of the Appointments, Remuneration and Sustainability Committee, agreed to an increase in fixed and variable remuneration (short and long term).

In relation to fixed remuneration, an increase from the initial amount of SEVEN HUNDRED AND SIXTY-ONE THOUSAND EIGHTY-EIGHT EUROS AND SIX CENTS (€761,088.06) to the amount of NINE HUNDRED THOUSAND EUROS (€900,000) was set, with effect from 1 January 2024. This represents an increase of 18.25% compared to the previous year.

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

- Medical Insurance: Pursuant to the Remuneration Policy in force and the CEO's Services Agreement, the CEO has private medical insurance covering himself and his family for a yearly premium of SIX THOUSAND SIX HUNDRED AND TWENTY-FIVE EUROS AND FOURTEEN CENTS (€6,625.14).
- Life and Accident Insurance: The CEO also has life and accident insurance for a yearly premium of ONE THOUSAND NINE HUNDRED AND TWENTY-SIX EUROS AND

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THREE CENTS (€1,926.03) with the following coverage:

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

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

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

SHORT-TERM REMUNERATION SCHEME

As regards the parameters of the CEO's short-term variable remuneration scheme for the current year (2024), the Appointments, Remuneration and Sustainability Committee, at its meeting held on 27 February 2024, informed and proposed to the Board of Directors the following scheme:

Set of economic / financial objectives: This set represents SEVENTY-FIVE PERCENT (75%) of total short-term variable remuneration and comprises two objectives:

- (i) **To achieve an EBITDA** (Earnings Before Interest, Taxes, Depreciation and Amortization) determined at year-end 2024. To this end, the Group's EBITDA without capital gains has been considered. This objective is of a financial nature and represents 40% of total short-term variable remuneration. The Committee has reduced the percentage/weight of this objective compared to the previous year in order to increase the weight of the following objective (debt ratio). For confidentiality reasons, the amount of the EBITDA objective proposed by the Committee and approved by the Board of Directors will not be disclosed in this Report. However, this information will be provided in the next ARR (evaluation and assessment data of objectives for the year ended).
- (ii) **To reduce the Group's indebtedness**, i.e. to reach a certain debt ratio (in relation to the Group's EBITDA). This objective represents 35% of total short-term variable remuneration, i.e. it has increased by 5% compared to the previous year. The formula for calculating this objective is as follows:

Debt / EBITDA (without capital gains).

The Committee has set a scaling of this objective according to the

percentage achieved by the end of the financial year.

Set of non-financial objectives: This set represents TWENTY-FIVE PERCENT (25%) of total short-term variable remuneration and comprises four objectives:

- (i) **Customer satisfaction** (Net Promoter Score (NPS)) - objective based on the satisfaction level of customers of hotel establishments during 2024. This objective represents 5% of total variable remuneration. Its assessment is based on the results obtained in the satisfaction surveys.
- (ii) **Development / Management Model:** Objective based on the net increase in signed rooms in 2024. This objective represents 10% of total variable remuneration. The achievement level of this objective will be calculated according to a number of signed rooms determined by the Committee and, subsequently, by the Board, in which an achievement scale is established based on the development projects that result in the increase in rooms managed by the Group. The Committee has increased the weight of this objective compared to the previous year (5% in 2023), and has added a variable for its assessment: FEES/PAR. This variable will measure the contribution of "fees" for each room, thus promoting and boosting growth linked to quality and not only to the number of rooms. For confidentiality reasons, the number of rooms proposed by the Committee will not be disclosed in this Report. However, this information will be provided in the next ARR (evaluation and assessment data of objectives for the year ended).
- (iii) **Work environment surveys:** This objective represents 5% of total short-term variable remuneration and will be measured based on the results obtained in the "Commitment & Engagement Results" survey launched annually by the Human Resources department to certain corporate areas and hotels. In particular, for the purposes of setting objectives, the results of the following indicators will be taken into account:
 - Target commitment
 - Engagement

Each indicator will be assessed separately at 50% (2.5%/2.5%) of the objective, applying the corresponding scale.

For confidentiality reasons, the objective proposed by the Committee and approved by the Board of Directors will not be disclosed in this Report. However, this information will be provided in the next ARR (evaluation and assessment data of objectives for the year ended).
- (iv) **ESG:** This objective represents 5% of total short-term variable remuneration and will be measured in terms of the Company's adaptation to the CSRD (Corporate Sustainability Reporting Directive) and improved positioning. All of this, based on the following initiatives:
 - * Realisation of the Double Materiality project
 - * Financial impact of climate risks
 - * To continue with the non-financial information reporting project.

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Based on the weights of each of the objectives, as well as the achievement level of each of them, as explained in detail in the following section of the Report, the maximum (theoretical) total achievement percentage amounts to **134.50%**.

The **target amount** (100%) of the said long-term variable remuneration will be 70% of his fixed salary accrued during 2024 (i.e. the amount of €900,000), as indicated in previous sections. In other words, the target amount of the short-term variable remuneration for the financial year 2024 is SIX HUNDRED AND THIRTY THOUSAND EUROS (€630,000), with the maximum amount to be received, in relation to the maximum percentage of assessment of each of the objectives, as detailed in the following section, being EIGHT HUNDRED AND FORTY-SEVEN THOUSAND THREE HUNDRED AND FIFTY EUROS (€847,350).

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

LONG-TERM REMUNERATION SCHEME

Regarding long-term variable remuneration, the indicators, goals, amounts and contents of the Multi-Year Plan (2022 - 2024) were prepared by the Appointments, Remuneration and Sustainability Committee, were approved by the Board of Directors on 5 April 2022 and were notified to the CNMV through ORI (Other Relevant Information) on the same date.

There follows a description of the main characteristics of the said long-term remuneration scheme:

Plan duration: years 2022 to 2024, linked to the strategic objectives of the Company.

The **target amount** (100%) of the said long-term variable remuneration will be 60% of his fixed annual salary for each year of duration of the plan, i.e., a total of 180% of his fixed salary, with the maximum amount to be received, according to the Remuneration Policy in force, being 150% of the said target amount.

Notwithstanding the above, and as a consequence of the recent amendment to the Chief Executive Officer's service agreement, the percentage applicable to year 2024 of the long-term variable remuneration will be 70% instead of 60%. I.e., the target amount (100%) will be calculated as follows:

- 60% of his fixed salary in 2022.
- 60% of his fixed salary in 2023.
- 70% of his fixed salary (modified amount) in 2024.

Objectives: The long-term variable remuneration scheme consists of the following sets of objectives:

- i. Evolution of the share price: This objective represents 30% of the total, and will be proposed for approval at the General Shareholders' Meeting.
- ii. Financial soundness: This objective represents 40% of the total.
- iii. Business objective (this objective includes the objectives linked to fees from third parties, and the own sales channel and centralised sales): It represents

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20% of the total.

- iv. Sustainability and position objectives: This objective represents 10% of the total.

In line with good governance principles, long-term variable remuneration will be paid following a reasonable period after the end of the last financial year of the third year (i.e. 2025), with the payment being made within the first 60 calendar days following the preparation of the annual accounts for that year, upon approval of the Board at the proposal by the Appointments, Remuneration and Sustainability Committee.

Likewise, and as long as that said remuneration is partially referenced to the share price, and in accordance with the provisions of Article 219 CEA and Article 37.2 of the Company Bylaws, at the General Shareholders' Meeting held on 16 June 2022, a remuneration scheme partially referenced to the share price was approved for the Executive Director, the Senior Management and other professionals within the Company.

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

SHORT-TERM REMUNERATION SCHEME

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

Set of economic/financial objectives: This set represents SEVENTY-FIVE PERCENT (75%) of total short-term variable remuneration and comprises two objectives:

- (i) To achieve a certain EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) by year-end 2024.

Objective's weight: 40%.

Maximum % of collection or assessment: 150%.

Maximum amount of collection: €378,000.

- (ii) To reach a certain debt ratio (in relation to the Group's EBITDA).

Objective's weight: 35%.

Maximum % of collection or assessment: 120%.

Maximum amount of collection: €264,600.

Set of non-financial objectives: this set represents TWENTY-FIVE PERCENT (25%) of total short-term variable remuneration and comprises four objectives:

- (iii) **Customer satisfaction** (Net Promoter Score (NPS)) - objective based on the satisfaction level of customers of hotel establishments during 2024.

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Objective's weight: 5%.

Maximum % of collection or assessment: 130%.

Maximum amount of collection: 40,950 €.

- (iv) **Development / Management Model:** Objective based on the net increase in signed rooms in 2024. The achievement level of this objective will be calculated according to a number of signed rooms determined by the Committee and, subsequently, by the Board, in which an achievement scale is established based on the development projects that result in the increase in rooms managed by the Group.

Objective's weight: 10%.

Maximum % of collection or assessment: 130%.

Maximum amount of collection: 81,900 €.

- (v) **Environment and talent surveys.**

Objective's weight: 5%.

Maximum % of collection or assessment: 130%.

Maximum amount of collection: 40,950 €.

- (vi) **ESG**

Objective's weight: 5%.

Maximum % of collection or assessment: 130%.

Maximum amount of collection: 40,950 €.

SHORT-TERM REMUNERATION SCHEME 2024

Objective	Weight	Maximum %	TOTAL
EBITDA	40%	150%	378.000,00 €
DEBT	35%	120%	264.600,00 €
NPS	5%	130%	40.950,00 €
MANAGEMENT MODEL	10%	130%	81.900,00 €
ENVIROMENT AND TALENT SURVEYS	5%	130%	40.950,00 €
ESG	5%	130%	40.950,00 €
	TOTAL	134,5%	847.350,00 €

LONG-TERM REMUNERATION SCHEME

In relation to long-term variable remuneration, considering that the target amount is 190% of fixed remuneration of the Chief Executive Officer (60% for financial years 2022 and 2023, and 70% for financial year 2024) and that the maximum percentage to be received is 150%, the maximum amount to be received (in case of a maximum assessment for all the objectives previously indicated) is TWO MILLION THREE

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HUNDRED AND FOURTEEN THOUSAND NINE HUNDRED AND FIFTY-EIGHT EUROS AND FIFTY-ONE CENTS (€2,314,958.51).

The details of the calculation (of the target amount - 100%) are given below:

- Maximum amount to be received for the financial year 2022 (60% of the fixed remuneration in force in 2022 - €761,088.06): FOUR HUNDRED AND FIFTY-SIX THOUSAND SIX HUNDRED AND FIFTY-TWO EUROS AND EIGHTY-FOUR CENTS (456,652.84 €)
- Maximum amount to be received for the financial year 2023 (60% of the fixed remuneration in force in 2023 - €761,088.06): FOUR HUNDRED AND FIFTY-SIX THOUSAND SIX HUNDRED AND FIFTY-TWO EUROS AND EIGHTY-FOUR CENTS (456,652.84 €)
- Maximum amount to be received for the financial year 2024 (70% of the fixed remuneration in force in 2024 - €900,000): SIX HUNDRED AND THIRTY THOUSAND EUROS (€630,000).

Year	Fixed remuneration	%	TOTAL
2022	761.088,06 €	60%	456.652,84 €
2023	761.088,06 €	60%	456.652,84 €
2024	900.000 €	70%	630.000,00 €
		TOTAL	1.543.305,67 €

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

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

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

Its basic features are as follows:

- 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

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- of any of the contingencies covered by the plan (retirement, disability or death).
- Retirement, disability and death benefits shall be equivalent to the accumulated balance in the insurance policy taken out and subject to the policy features and particularities.
 - The beneficiaries of the Retirement Plan in the event of occurrence of any of the contingencies covered by the Plan shall be the CEO himself (in the event of retirement or disability) and the person designed in the beneficiary designation form, in the event of death of the insured. If no beneficiary is expressly designed, the following order of precedence shall apply by exclusion: the insured's spouse, otherwise his children, otherwise his parents, and otherwise his legal heirs.
 - In the event of removal from office for causes other than those covered by the retirement plan, the CEO shall have no rights on the Accumulated Balance.

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

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

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

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

- **Unilateral termination by the Executive Director:** in case of (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:** the agreement provides for the application of compensations provided that unilateral termination or cancellation by the Company is not due to a material and negligent breach by the Executive Director of his obligations to perform his duties with loyalty, diligence, good faith or any other legally binding requirement applicable to the exercise of his duties.

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

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

Compensation will be paid within thirty (30) days from the date on which the Agreement is terminated, provided that the Company has verified that the CEO meets

the criteria or conditions established to receive the compensation.

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

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

Pursuant to Article 249 of the Spanish Corporate Enterprises Act, the CEO signed a commercial agreement for the provision of services with the Company dated 27 November 2015.

This agreement was amended on several occasions, as described below:

- I. 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.
- II. Several contractual amendments were signed during 2020 and 2021 in order to provide for the fixed remuneration reductions approved in these years, as well as the inclusion of certain amendments as a result of the application of the Remuneration Policy for 2022 to 2024 (i.e. malus clause).
- III. Finally, in 2023, based on comparable remuneration studies and on the occasion of the CEO assuming new duties following his appointment as Executive Chairman, an addendum to the agreement was signed to reflect an increase in fixed remuneration and an increase in the target percentage of short- and long-term variable remuneration.

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

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received in relation thereto and compensate the Company in an amount equivalent to 150% of the same amount.

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

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

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

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

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

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

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

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

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

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

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

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

The Remuneration Policy applicable to the current year (2024) is the Policy approved by the General Shareholders' Meeting on 10 June 2021, which is applicable to the 2022-2024 three-year period, and which was already applied to the previous year (2023).

No changes to the above-mentioned Remuneration Policy are planned for the current year, although the Company will submit the new Remuneration Policy applicable to years 2025 to 2027 for approval by the General Shareholders' Meeting in 2024.

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

[2022-2024 Remuneration Policy](#)

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

On 22 June 2023, the General Shareholders' Meeting approved with 84.58% of votes in favour the 2022 Annual Report on the Remuneration of Directors, which had been previously approved by the Board of Directors on 27 February 2023.

	General Meeting 2020	General Meeting 2021	General Meeting 2022	General Meeting 2023
% Approval ARR	99.84%	99.48%	97.55%	84.58%

The Committee and the Board of Directors have taken into account the decrease in votes received at the General Shareholders' Meeting in the preparation of this Report, having analysed the results in detail, and the possible causes, at the meeting held after the General Shareholders' Meeting. In this sense, the Committee has focused on the following improvements:

- To increase detail on metrics, objectives and level of achievement of variable remuneration.
- To include more detail on external advice received.
- To include, to the extent possible, the *benchmarking* used by the Company.

Likewise, in preparing this Annual Remuneration Report, the recommendations provided by the proxy advisors (especially Glass Lewis and ISS) in their reports submitted to the 2023 General Shareholders' Meeting were studied and taken into consideration.

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED (2023)

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

The Remuneration Policy of the Board applicable during 2023 was approved by the General Shareholders' Meeting on 10 June 2021.

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

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

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

As concerns the participation of external advisors, the Appointments, Remuneration and Sustainability Committee and the Corporate Governance and Human Resources departments received consultancy services from Willis Tower Watson (WTW) in respect of the formal execution of measures to increase the remuneration of the Chairman and CEO. The scope and field of such advice has been explained throughout this report.

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

During 2023 no deviation from the procedure established for the application of the Remuneration Policy occurred.

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

In 2023 no temporary exception has been applied to the current Remuneration Policy.

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

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

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

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

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

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

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

B.3 *Explain how the remuneration accrued and consolidated over the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance. Furthermore, report on the relationship between the remuneration obtained by the directors and the*

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results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration the payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

Both the remuneration of Directors in their capacity as such and the remuneration of the Executive Director comply with the Remuneration Policy applicable during the 2023 financial year.

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

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

The remuneration of Directors in their capacity as such is based on the individual performance and dedication of each Director, their respective responsibilities and the tasks assigned to them at the Committees. Following the recommendations of good governance and certain remuneration policies of proxy advisors, the non-executive Directors do not have a variable component in their remuneration scheme, as provided for by the Remuneration Policy.

In relation to the Executive Director and his variable remuneration package (short and long term) linked to 2023, the Committee determined the said package taking into account the framework established by the Remuneration Policy, setting short- and long-term economic and non-economic objectives, as explained throughout this Report.

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

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

	Number	% of total
Votes cast	171,995,596	78.10%

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	Number	% of votes cast
Votes against	25,342,132	14.73%
Votes in favour	145,467,451	84.57%
Abstentions	1,186,013	0.69%

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

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

Fixed remuneration components accrued during the 2023 financial year were determined pursuant to the Remuneration Policy applicable in 2023, based on the items described in Section B.3 above:

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

Since the Board is made up of ELEVEN (11) Directors, the total amount paid under this heading was TWO HUNDRED AND THIRTY-EIGHT THOUSAND EUROS AND EIGHTY-FOUR CENTS (€238,000.84).

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

Considering the total number of meetings and based on the attendance of each Director at each of them, the total amount paid as Board attendance fees was THREE HUNDRED AND SEVENTY-EIGHT THOUSAND SIX HUNDRED AND THIRTY-SEVEN EUROS AND SEVENTY CENTS (€378,637.70).

- THREE THOUSAND EUROS (€3,000) for attending each meeting of the Board's Committees.

During 2023, a total of SEVEN (7) meetings of the Appointments, Remuneration and Sustainability Committee and EIGHT (8) meetings of the Auditing and Compliance Committee were held. Based on each Director's attendance at these meetings, the total amount paid as attendance fees for the Committees was TWO HUNDRED AND TEN THOUSAND EUROS (€210,000), of which the amount of ONE HUNDRED AND ELEVEN THOUSAND EUROS (€111,000) relates to attendance at the meetings of the Auditing and Compliance Committee, and NINETY-NINE THOUSAND EUROS (€99,000) relates to attendance at the meetings of the Appointments, Remuneration and Sustainability Committee.

The Chairman of the Appointments, Remuneration and Sustainability Committee and the Chairman of the Auditing and Compliance Committee additionally receive THREE

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THOUSAND EUROS (€3,000) for each attended meeting.

Based on the attendance of the Chairmen at their Committee meetings, the amount accrued under this heading was TWENTY-ONE THOUSAND EUROS (€21,000) for the Chairman of the Appointments, Remuneration and Sustainability Committee and TWENTY-FOUR THOUSAND EUROS (€24,000) for the Chairman of the Auditing and Compliance Committee.

The Secretary of the Board of Directors also earns SIX THOUSAND EUROS (€6,000) for each Board meeting he attends. This amount does not accrue in sessions held in written form without a meeting. Based on attendance at all the meetings of the Board, the amount accrued under this heading is FORTY-TWO THOUSAND EUROS (€42,000.00).

Thus, there has been no variation in the remuneration scheme of fixed components in 2023.

Variations with respect to the previous year (2022) are due to differences in the number of Committee meetings (the number of meetings of the Appointments, Remuneration and Sustainability Committee has decreased), and the increase in the number of meetings of the Board of Directors.

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

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

The salary accrued to the Company's Executive Director in the 2023 financial year amounts to SEVEN HUNDRED AND SIXTY-ONE THOUSAND EIGHTY-EIGHT EUROS AND SIX CENTS (€761,088.06).

This amount was set at the time by the Appointments, Remuneration and Sustainability 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).

Thus, there is no change compared to the previous year (2022) in relation to the fixed remuneration of the Chief Executive Officer.

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

In particular:

- a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable*

amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

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

Not applicable.

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

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

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

Explain the short-term variable components of the remuneration systems

Only the Chief Executive Officer has variable components within his remuneration scheme, as mentioned in the Remuneration Policy for 2023. This variable remuneration has a short-term remuneration plan (annual) and a long-term remuneration plan (triennial).

Short-term variable remuneration items are set as a percentage of fixed remuneration. In this sense, in 2023, this percentage was initially 60%, although, as already indicated in section A above, it was increased to 70% due to the CEO assuming new duties (appointment as Executive Chairman). In this respect, the target amount amounts to FIVE HUNDRED AND THIRTY-TWO THOUSAND SEVEN HUNDRED AND SIXTY-ONE EUROS AND SIXTY-FOUR CENTS (€532,761.64) (hereinafter, the "Target Amount").

This Target Amount involves a minimum theoretical collection amount of 0% and a maximum of 143%. In this sense, the maximum theoretical amount to be received will be SEVEN HUNDRED AND SIXTY-ONE THOUSAND EIGHT HUNDRED AND FORTY-NINE EUROS AND FIFTEEN CENTS (€761.849,15) and the minimum, ZERO EURO (€0).

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

Every year, the Board of Directors proceeds with the approval of the objectives of the Chief Executive Officer for the current year and the determination of the final level of achievement thereof for the year ended, prior submission of the said objectives by the

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Appointments, Remuneration and Sustainability Committee in the first quarter of the year.

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

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

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

- 1) **Economic objectives** (EBITDA and Debt Ratio), in which maximum achievement is 150% and minimum achievement is 0%, with a scale that links the collection percentage to the achievement percentage. The assessment of these objectives is based on the achievement of annual goals which are defined separately in each objective, using the actual carrying amount at year end as a reference for achievement. This type of objectives has measurable goals and results; therefore, the percentage of achievement is the result of dividing the actual amount by the budgeted amount, if applicable.
- 2) **Non-economic objectives** (resulting from the appraisal by the Board of the Chief Executive Officer, and other non-financial objectives, such as the Sustainability or the Development of the Company), which have a maximum achievement of 130% and a minimum of 0%.

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

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

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

At the date of this Report (29 February 2024), the Appointments, Remuneration and Sustainability Committee has carried out an evaluation of the objectives set for short-term variable remuneration of the Chief Executive Officer, with the following levels having been approved:

Set of economic / financial objectives: This set represents EIGHTY PERCENT (80%) of total short-term variable remuneration and comprises two objectives:

- (i) **To achieve an EBITDA** (Earnings Before Interest, Taxes, Depreciation and Amortization) determined at the end of 2023. To this end, the Group's

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EBITDA without capital gains was considered. This objective is of a financial nature and represents 50% of total short-term variable remuneration.

Assessment: Since an EBITDA of €486.3 million has been reached (based on the outcome of the financial statements issued on 29 February 2024) and according to the scale approved by the Committee, the assessment of this objective is **108.07%**.

In this regard, it is informed that the assessment scale proposed by the Committee and approved by the Board in February 2023 is as follows:

- Less than 450 million of EBIDTA: 0% of collection.
- 450 million of EBIDTA: 100% of collection.
- More than 450 million of EBIDTA: proportional % of collection depending on the amount.

Accrued amount: TWO HUNDRED AND EIGHTY-SEVEN THOUSAND EIGHT HUNDRED AND SIXTY-EIGHT EUROS AND EIGHTY-SEVEN CENTS (€287,868.87)

- (ii) To achieve a certain debt ratio (in relation to the Group's EBITDA). This objective represents 30% of total short-term variable remuneration.

Assessment: the ratio achieved at the end of 2023 was 3.87, therefore the assessment, according to the scales set by the Committee, is **98.16%**.

In this regard, it is informed that the assessment scale proposed by the Committee and approved by the Board in February 2023 is as follows:

- Ratio of 4.0: 80% assessment of the objective.
- Ratio of 3.8: 100% assessment of the objective.
- Ratio of 3.6: 120% assessment of the objective.

Accrued amount: ONE HUNDRED AND FIFTY-SIX THOUSAND EIGHT HUNDRED AND EIGHTY-FOUR EUROS AND TWENTY-EIGHT CENTS (€156,884.28).

Set of non-financial objectives: This set represents TWENTY PERCENT (20%) of total short-term variable remuneration and comprises four objectives:

- (i) **Customer satisfaction** (Net Promoter Score (NPS)) - objective based on the satisfaction level of customers of hotel establishments during 2023. This objective represents 5% of total variable remuneration.

Assessment: 2023 closed with 47 after receiving more than 247,000 surveys from customers staying at our hotels, which means an achievement of **130%**.

Accrued amount: THIRTY-FOUR THOUSAND SIX HUNDRED AND TWENTY-NINE EUROS AND FIFTY-ONE CENTS (€34,629.51).

- (ii) **Development / Management Model:** Objective based on the net increase in signed rooms in 2023. This objective represents 5% of total variable remuneration. The achievement level of this objective will be calculated according to a number of signed rooms determined by the Committee and, subsequently, by the Board, in which an achievement scale is established based on the development projects that result in the increase in rooms managed by the Group.

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Assessment: Taking into account the net number of rooms calculated by the following formula:

Gross number of signed rooms for year 2023 minus the drop in number of rooms at the end of 2023 (termination of memberships, resolutions, etc.), the level of achievement of this objective has been set at **30%**.

In this regard, it is informed that the assessment scale proposed by the Committee and approved by the Board in February 2023 is as follows:

- 7,838 net rooms: 80% of achievement of the objective.
- between 7,838 and 8,663 net rooms: proportional % of achievement.
- more than 8,663 net rooms: 130% of achievement of the objective.

Accrued amount: SEVEN THOUSAND NINE HUNDRED AND NINETY-ONE EUROS AND FORTY-TWO CENTS (€7,991.42).

- (iii) **Talent management:** This objective represents 5% of total short-term variable remuneration. The Committee (and, subsequently, the Board) has set a maximum rotation percentage in relation to a particular group of the Group's staff as a talent retention measure.

Assessment: Despite the changes in the Executive Committee, the percentage of achievement of this objective has been 100% according to the scales set by the Committee itself.

In this regard, it is informed that the assessment scale proposed by the Committee and approved by the Board in February 2023 is as follows:

- Rotation of Direct Reports (direct reports to the Executive Committee) and Managing Directors less than or equal to 15%: 100% of achievement.
- Rotation of Direct Reports (direct reports to the Executive Committee) and Managing Directors above 15%: 0% of achievement.

Accrued amount: TWENTY-SIX THOUSAND SIX HUNDRED AND THIRTY-EIGHT EUROS AND EIGHT CENTS (€26,638.08).

- (iv) **ESG:** This objective is based on 2 initiatives:
 1. Public commitment to **reduce emissions**, with two milestones:
 - Reduction of 1 and 2 scope market-based emissions (consolidated scope) vs. 2018 between 19% and 20%; and
 - Reduction of 1 and 2 scope market-based emissions (consolidated perimeter) vs. 2018 by more than 20%.
 2. To make progress in the Control, Management and Reporting system for Non-Financial Information, by undertaking two projects:
 - Design and preparation of Meliá's ICNFRS [Internal Control over Non-Financial Reporting System] at year-end 2023; and
 - Design and preparation of NFIS [Non-Financial Information Statement] reporting for hotels owned and leased in Spain at year-end 2023.

Assessment: The Committee, taking into account the great progress in the control, management and reporting system for Non-Financial Information,

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which has been highly valued by the external auditors, and the fact that the reduction of emissions has been closed approximately six points below the objective, has assessed the ESG set with 100% of achievement.

Accrued amount: TWENTY-SIX THOUSAND SIX HUNDRED AND THIRTY-EIGHT EUROS AND EIGHT CENTS (€26,638.08).

With respect to this objective (ESG), it should be noted that in the 2022 Annual Remuneration Report of the Board, in section A.1.6, it was stated that it would be an "objective based on the Company's position in internationally recognised sustainability indices". However, at the proposal of the Committee, the Board of Directors agreed, during 2023, to modify this objective to align it with market trends in sustainability (reduction of emissions) and to enhance the non-financial reporting control system project. The weight and maximum amount collectable for this objective remained as initially indicated.

According to the weight of each of the objectives, as well as their level of achievement, the total achievement percentage amounts to **101.48%**.

As a whole, the amount to be paid to the Chief Executive Officer for short-term variable remuneration accrued in 2023, amounts to FIVE HUNDRED AND FORTY THOUSAND SIX HUNDRED AND FIFTY EUROS AND TWENTY-FIVE CENTS (€540,650.25), which will be paid in cash in April 2024 (in a lump sum), a month in which the Company pays variable remuneration according to the mentioned good governance principles.

SHORT-TERM REMUNERATION SCHEME 2023

Objective	Weight	compliance %	TOTAL
EBITDA	50%	108,07%	287.868,87 €
DEBT	30%	98,16%	156.884,28 €
NPS	5%	130,00%	34.629,51 €
MANAGEMENT MODEL	5%	30,00%	7.991,42 €
TALENT MANAGEMENT	5%	100,00%	26.638,08 €
ESG	5%	100,00%	26.638,08 €
	TOTAL	101,48%	540.650,25 €

Calculation formula: Weight of each objective * level of compliance (%) * target amount (€).

In relation to the short-term variable remuneration paid to the Chief Executive Officer in 2023, regarding the objectives set in 2022, the same amounted to a total of THREE HUNDRED AND NINETY-NINE THOUSAND TWO HUNDRED AND NINETY-SEVEN EUROS AND TWENTY-THREE CENTS (€399,297.23).

Explain the long-term variable components of the remuneration systems

The **target amount** (100%) of the said long-term variable remuneration is 60% of the fixed annual salary for each year of the duration of the plan (with the exception of 2024, year to which 70% will be applied as set out in the new service provision agreement), i.e., a total of 190% of the fixed salary, with the maximum amount to be

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received, according to the Remuneration Policy, being 150% of the said target amount.

That is, the target amount (100%) amounts to a total of ONE MILLION FIVE HUNDRED AND FORTY-THREE THOUSAND THREE HUNDRED AND FIVE EUROS AND SIXTY-SEVEN CENTS (€1,543,305.67) and the maximum amount to be received (150% of the target amount) amounts to a total of TWO MILLION THREE HUNDRED AND FOURTEEN THOUSAND NINE HUNDRED AND FIFTY-EIGHT EUROS AND FIFTY-ONE CENTS (€2,314,958.51).

Objectives: The long-term variable remuneration scheme consists of the following sets of objectives:

- i. **Evolution of the share price:** This objective represents 30% of the total of the plan and its details were approved at the General Shareholders' Meeting held on 16 June 2022.

This part of the remuneration system is based on the evolution of the shares of Meliá compared to the arithmetic average of the evolution of a country index (IBEX 35) and the evolution of a sector index (Europe hotel sector Compset) which is comprised of certain hotel companies that are listed in Europe.

As a reference for the calculation of the indexes, the evolution between the share price at the close of the market on 31 December 2021 and the average share price from 15/12/24 to 15/03/2025, both days included, will be considered. The assessment of this objective and its accrual will be subject to the existence of a positive difference in favour of the share price of the Company compared to the prices taken as a reference.

- ii. **Financial soundness:** This objective represents 40% of the total and comprises two sub-objectives: the first one is tied to the EBITDA margin, and the second one to the debt ratio in relation to EBITDA.
- iii. **Business objectives:** This objective represents 20% of the total, and includes, in turn, objectives linked to fees from third parties in relation to total fees, and the ratio between the own sales channel and the total or centralised sales.
- iv. **Sustainability and position objectives:** This objective represents 10% of the total and is fixed based on the position achieved by the Company in an international sustainability ranking.

LONG-TERM REMUNERATION SCHEME 2022-2024

Objective	Weight	Target amount €	TOTAL
EVOLUTION OF THE SHARE PRICE	30%	1.543.305,67 €	462.991,70 €
FINANCIAL SOUNDNESS	40%	1.543.305,67 €	617.322,27 €
BUSINESS	20%	1.543.305,67 €	308.661,13 €
SUSTAINABILITY	10%	1.543.305,67 €	154.330,57 €
	TOTAL	100,00%	1.543.305,67 €
		150%	2.314.958,51 €

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

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.

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

The Company did not reduce or claim the reimbursement of any amounts with respect to the CEO's variable remuneration during the 2023 financial year. All of the foregoing is without prejudice to the functions attributed to the Appointments, Remuneration and Sustainability Committee in relation to this matter, and considering the fact that the valid period to claim a reduction or reimbursement of any amount under the clawback provision is THREE (3) years from the date of payment or settlement.

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

A Social Welfare Plan was incorporated into the CEO's remuneration scheme in accordance with the Remuneration Policy for 2023, which includes the following characteristics:

- Defined-contribution plan establishing a maximum annual contribution of 10% of his pensionable salary (equivalent to his fixed salary only and without taking into account the pay cuts agreed during the year for purposes of calculating the said 10%).
- The plan benefits are illiquid, so that they may only be received upon occurrence of any of the contingencies covered by the Plan (retirement, disability or death).
- Retirement, disability and death benefits shall be equivalent to the accumulated balance in the insurance policy taken out and subject to the policy features and particularities.
- The beneficiaries of the Retirement Plan in the event of occurrence of any of the contingencies covered by the Plan shall be the CEO himself (in the event of

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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 2023, contributions to this Plan amounted to SEVENTY-SIX THOUSAND ONE HUNDRED AND EIGHT EUROS AND EIGHTY CENTS (€76,108.80).

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

N/A

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

In 2023 one change in the CEO's Service Agreement has been made.

In order to explain the changes, it should be noted that in June 2023, the Founder and Chairman of Meliá, Gabriel Escarrer Juliá, decided to complete the succession process that he himself promoted in 2016, and tendered his resignation as Chairman of the Board. In compliance with the succession plan, Gabriel Escarrer Jaume was appointed as Executive Chairman, maintaining the position of CEO, and committing to maintain his father's legacy and the company's leadership in the complex times ahead for the sector.

Taking into account the assumption of new duties (due to his appointment as Executive Chairman), and following the analysis of the remuneration studies carried out by Willis Tower Watson (as already mentioned in this Report), the Committee proposed to the Board of Directors the following changes to the remuneration scheme of the Chief Executive Officer:

- Increase in fixed remuneration;
- Increase in the percentage of short-term variable remuneration; and
- Increase in the percentage of long-term variable remuneration.

Details of these changes are set out below:

Item	Amount or % prior to the change	Amount or % after the change	Increase
FIXED REMUNERATION	761.088,06 €	900.000 €	15%
SHORT-TERM VARIABLE REMUNERATION	60% of the fixed remuneration	70% of the fixed remuneration	10%
LONG-TERM VARIABLE REMUNERATION	60% / year of the Plan, i.e. 180% of fixed remuneration.	70% / year of the Plan	10%

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With regard to the implementation of these changes, their entry into force, as set out in the Board of Directors' agreements and in the Service Agreement, is indicated below:

- (i) In relation to financial year 2023 and taking into account that the Chief Executive Officer assumed his new duties in mid-year (June 2023) and having held the position of acting Chairman of the Board due to the justified absences of the Chairman of the Board (Mr. Gabriel Escarrer Juliá), the Committee proposed a 10% increase in his short-term variable remuneration. That is, his short-term variable remuneration would be 70% instead of 60% for the financial year 2023.
- (ii) As of 1 January 2024: It was agreed to increase the current fixed remuneration to €900,000 and ten additional points (from 60% to 70%) in the percentage of both the short- and long-term variable remuneration.

The benchmarking prepared at the request of the Committee for the modification of the remuneration scheme for the Chief Executive Officer is attached to this Report as Annex I.

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

N/A

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

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

B.14 *Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.*

During 2023, 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 SIX THOUSAND SIX HUNDRED AND TWENTY-FIVE EUROS AND FOURTEEN CENTS (€6,625.14).

Life and Accident Insurance: The CEO has life and accident insurance for a yearly premium of ONE THOUSAND NINE HUNDRED AND TWENTY-SIX EUROS AND EIGHT CENTS (€1,926.08) 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 Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

N/A

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

In addition to the amounts and remuneration items described above, the CEO has received fees in the amount of ONE HUNDRED AND THREE THOUSAND SEVEN HUNDRED AND FIFTY-FOUR EUROS AND SEVENTY-TWO CENTS (€103,754.72) for belonging to the board of directors of the following Group companies:

- FIFTY-TWO THOUSAND ONE HUNDRED AND EIGHTY-FOUR EUROS AND SEVENTY-TWO CENTS (€52,184.72) per year from the German company Sol Melia Deutschland GmbH.
- THIRTY THOUSAND AND THIRTY-FOUR EUROS (€30,034.00) per year from the English company Lomondo Limited; and
- TWENTY-ONE THOUSAND FIVE HUNDRED AND THIRTY-SIX EUROS (€21,536) per year from the French company Sol Melia France, S.A.S.

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ANNEX 1 - SECTION B – BENCHMARKING OF THE REMUNERATION SCHEME FOR THE CHIEF EXECUTIVE OFFICER

Company	Position	Size			Remuneration Information €									Remuneration Mix				
		Revenue 2022 (Million €)	Employees 2022	Parent company country	Fixed Remuneration (FR)	Bonus Target (%FR)	Fixed Remuneration + Bonus Target	LTI: (annualized expected value % FR)	Total Direct Remuneration Target	Board of Directors Remuneration	Total Remuneration Target (Board of Directors Remuneration included)	Pension: Annual Contribution (% FR)	Total Remuneration Target (Board of Directors Remuneration and Pension included)	% Fixed Remuneration	% Board of Directors Remuneration	% Pension	% Bonus Target	% LTI
InterContinental Hotels Group	Chief Executive Officer	3.703	12.899	United Kingdom	1.084.752	115%	2.332.216	210%	4.610.194	--	4.610.194	12%	4.740.364	23%	--	3%	26%	48%
Ryanair	Chief Executive	10.775	22.261	Ireland	1.200.000	25%	1.500.000	226%	4.212.000	--	4.212.000	--	4.212.000	28%	--	--	7%	64%
AccorHotels	Chairman and CEO	4.224	17.117	France	950.000	147%	2.350.000	192%	4.173.715	--	4.173.715	--	4.173.715	23%	--	--	34%	44%
LAG	Chief Executive	23.066	66.044	United Kingdom	1.001.528	100%	2.003.056	150%	3.505.348	--	3.505.348	13%	3.630.539	28%	--	3%	28%	41%
Orascom Development	Chief Executive Officer	706	9.103	Switzerland	1.552.425	51%	2.343.536	67%	3.383.661	--	3.383.661	--	3.383.661	46%	--	--	23%	31%
Whitbread	Chief Executive	1.999	38.723	United Kingdom	1.055.548	85%	1.952.764	125%	3.272.199	--	3.272.199	10%	3.377.754	31%	--	3%	27%	39%
Easyjet	Chief Executive	6.766	13.951	United Kingdom	914.808	100%	1.829.617	125%	2.973.127	--	2.973.127	6%	3.029.845	30%	--	2%	30%	38%
Soc Bains de Mer	Chairman and CEO	531	3.107	Monaco	588.327	282%	2.244.719	--	2.244.719	21.000	2.265.719	--	2.265.719	26%	1%	--	73%	--
PPHE Hotel Group	President and CEO	387	--	Netherlands	645.057	98%	1.273.988	98%	1.902.919	--	1.902.919	5%	1.935.171	33%	--	2%	33%	33%
Meliá Hotels	Chairman and CEO	2.032	39.229	Spain	761.088	60%	1.217.741	60%	1.674.394	162.000	1.836.394	10%	1.912.502	40%	8%	4%	24%	24%
Dalata Hotel Group	Chief Executive	558	5.487	Ireland	630.000	75%	1.102.500	90%	1.669.500	--	1.669.500	5%	1.701.000	37%	--	2%	28%	33%
NH Hoteles	CEO	1.722	10.995	Spain	700.000	65%	1.155.000	65%	1.610.000	--	1.610.000	--	1.610.000	43%	--	--	28%	28%
Scandic Hotels	CEO & President	1.809	18.605	Sweden	715.021	40%	1.001.030	47%	1.336.875	--	1.336.875	35%	1.588.382	45%	--	16%	18%	21%
Pierre&Vacances	Chief Executive Officer	1.612	12.200	France	550.000	82%	1.000.000	100%	1.549.120	--	1.549.120	--	1.549.120	36%	--	--	29%	35%
Meliá Hotels	Chairman and CEO	2.032	39.229	España	761.088	60%	1.217.741	60%	1.674.394	162.000	1.836.394	10%	1.912.502	40%	8%	4%	24%	24%

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NOTES
Source of size data: Bloomberg
Remuneration data source: Remuneration reports published in 2023 for the year ended 2022.

Company	Position	Size			Remuneration information €									Remuneration Mix				
		Revenue 2022 (Million €)	Employees 2022	Parent company country	Fixed Remuneration	Bonus Target (%FR)	Fixed Remuneration + Bonus Target	LTI: (annualized expected value % FR)	Total Direct Remuneration Target	Board of Directors Remuneration	Total Remuneration Target (Board of Directors Remuneration included)	Pension: Annual Contribution (% FR)	Total Remuneration Target (Board of Directors Remuneration and Pension included)	% Fixed Remuneration	% Board of Directors Remuneration	% Pension	% Bonus Target	% LTI
Logista	Chairman and CEO Managing Director for the	11.464	5.533	Spain	861.370	150%	2.153.424	225%	4.091.507	86.000	4.177.507	25%	4.391.507	20%	2%	5%	29%	44%
Indra	Chairman and CEO	3.851	54.816	Spain	600.000	140%	1.440.000	160%	2.400.000	80.000	2.480.000	66%	2.877.000	21%	3%	14%	29%	33%
Meliá Hotels	Chairman and CEO	2.032	39.229	Spain	761.088	60%	1.217.741	60%	1.674.394	162.000	1.836.394	10%	1.912.502	40%	8%	4%	24%	24%
CIE Automotive *	Chief Executive Officer	3.838	24.986	Spain	600.000	100%	1.200.000	93%	1.760.000	--	1.760.000	--	1.760.000	34%	--	--	34%	32%
Acerinox	Chief Executive Officer	8.688	8.319	Spain	600.000	100%	1.200.000	50%	1.500.000	106.000	1.606.000	11%	1.671.000	36%	6%	4%	36%	18%
Appius	CEO	2.050	25.280	Spain	750.000	56%	1.170.000	47%	1.521.000	--	1.521.000	15%	1.633.500	46%	--	7%	26%	21%
Meliá Hotels	Chairman and CEO	2.032	39.229	España	761.088	60%	1.217.741	60%	1.674.394	162.000	1.836.394	10%	1.912.502	40%	8%	4%	24%	24%

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C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

<i>Name</i>	<i>Type</i>	<i>Period of accrual in year 2023</i>
Mr Gabriel Escarrer Juliá	Proprietary Director	From 01/01/2023 to 31/12/2023
Mr Gabriel Escarrer Jaume	Executive Director	From 01/01/2023 to 31/12/2023
Mr. Alfredo Pastor Bodmer	Proprietary Director	From 22/06/2023 to 31/12/2023
Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	Proprietary Director	From 01/01/2023 to 31/12/2023
Mr. Luis María Díaz de Bustamante y Terminel	Proprietary Director	From 01/01/2023 to 31/12/2023
Mr. Fernando d'Ornellas Silva	Independent Director	From 01/01/2023 to 31/12/2023
Mr. Francisco Javier Campo García	Independent Director	From 01/01/2023 to 31/12/2023
Ms Carina Szpilka Lázaro	Independent Director	From 01/01/2023 to 31/12/2023
Ms M ^a Cristina Henríquez de Luna Basagoiti	Independent Director	From 01/01/2023 to 31/12/2023
Ms Cristina Aldámiz Echevarría González de Durana	Independent Director	From 01/01/2023 to 31/12/2023
Ms M ^a Montserrat Trapé Viladomat	Independent Director	From 16/06/2023 to 31/12/2023
Hoteles Mallorquines Asociados, S.L.	Proprietary Director	From 01/01/2023 to 22/06/2023

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

a) Remuneration from the reporting company:

i. Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total year 2023	Total year 2022
Mr Gabriel Escarrer Juliá	22	5							27	38
Mr Gabriel Escarrer Jaume	22	38		761	533			9	1363	1280
Hoteles Mallorquines Asociados, S.L.	10	16							26	54
Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	22	38							60	54
Mr. Luis María Díaz de Bustamante y Terminel	22	101							123	114
Mr. Fernando d'Ornellas Silva	22	104							126	126
Mr. Francisco Javier Campo García	22	101							123	126
Ms Carina Szpilka Lázaro	22	80							102	102
Ms Cristina Henríquez de Luna Basagoiti	22	62							84	78
Ms Cristina Aldámiz Echevarría González de	22	56							78	54

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Durana										
Ms Montserrat Trapé Viladomat	22	53							75	27
Mr. Alfredo Pastor Bodmer	11	22							33	0

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

N/A

iii. Long-term savings schemes

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

<i>Name</i>	<i>Contribution for the year by the company (thousands of euros)</i>				<i>Amount of accrued funds (thousands of euros)</i>			
	<i>Savings schemes with vested economic rights</i>		<i>Savings schemes with non-vested economic rights</i>		<i>Savings schemes with vested economic rights</i>		<i>Savings schemes with non-vested economic rights</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Mr Gabriel Escarrer Jaume			76	76			380	304

iv. Details of other items

<i>Name</i>	<i>Item</i>	<i>Remuneration amount</i>
Mr Gabriel Escarrer Jaume	Life insurance	2
Mr Gabriel Escarrer Jaume	Health insurance	7

2023 ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS

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

i. Remuneration accruing in cash (thousands of euros)

<i>Name</i>	<i>Fixed remuneration</i>	<i>Attendance fees</i>	<i>Remuneration for membership of board committees</i>	<i>Salary</i>	<i>Short-term variable remuneration</i>	<i>Long-term variable remuneration</i>	<i>Compensation</i>	<i>Other items</i>	<i>Total year 2023</i>	<i>Total year 2022</i>
Mr Gabriel Escarrer Jaume		104							104	108

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c) Summary of remuneration (thousands of euros):

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

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2023, company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2023, group	Total in year 2023, company + group
Mr Gabriel Escarrer Juliá	27				27						27
Mr Gabriel Escarrer Jaume	1363		76	9	1448	104				104	1552
Hoteles Mallorquines Asociados, S.L.	26				26						26
Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)	60				60						60
Mr. Luis María Díaz de Bustamante y Terminel	123				123						123
Mr. Fernando d'Ornellas Silva	126				126						126
Mr. Francisco Javier Campo García	123				123						123
Ms Carina Szpilka Lázaro	102				102						102

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Ms Cristina Henríquez de Luna Basagoiti	84				84						84
Ms Cristina Aldámiz Echevarría González de Durana	78				78						78
Ms Montserrat Trapé Viladomat	75				75						75
Mr. Alfredo Pastor Bodmer	33				33						33
TOTAL	2220		76	9	2305	104				104	2409

2023 ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS

C.2 Indicate the evolution in the last 5 years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year 2023	% variation 2023/2022	Year 2022	% variation 2022/2021	Year 2021	% variation 2021/2020	Year 2020	% variation 2020/2019	Year 2019
Executive Directors	1,552	6%	1,464	5%	1,392	75%	795	-70%	2,615
<i>Mr Gabriel Escarrer Jaume</i>	1,552	6%	1,464	5%	1,392	75%	795	-70%	2,615
External Directors	854	9%	785	1%	780	5%	744	8%	691
<i>Mr Gabriel Escarrer Juliá</i>	27	-29%	38	-13%	43	-20%	54	10%	49
<i>Hoteles Mallorquines Asociados, S.L.</i>	27	-51%	54	0%	54	0%	54	100%	27
<i>Mr. Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)</i>	60	10%	54	0%	54	150%	22	N/A	0
<i>Mr. Luis María Díaz de Bustamante y Terminel</i>	123	7%	114	7%	107	3%	104	-9%	114
<i>Mr. Fernando d'Ornellas Silva</i>	126	0%	126	14%	111	1%	110	-17%	132
<i>Mr. Francisco Javier Campo García</i>	123	-2%	126	6%	119	11%	107	-5%	112
<i>Ms Carina Szpilka Lázaro</i>	102	-1%	102	8%	95	15%	83	-2%	84
<i>Ms Cristina Henríquez de Luna Basagoiti</i>	84	7%	78	0%	78	16%	68	150%	27
<i>Ms Cristina Aldámiz Echevarría González de Durana</i>	78	43%	54	233%	16	N/A	0	N/A	0
<i>Ms Montserrat Trapé Viladomat</i>	75	175%	27	N/A	0	N/A	0	N/A	0
<i>Mr. Alfredo Pastor Bodmer</i>	33	0%	0	N/A	0	N/A	0	N/A	0
Consolidated results of the company	149,318	-4%	156,311	158%	-217,391	-67%	-663,771	-525%	156,312
Average employee remuneration	20	18%	17	6%	16	-2%	17	-7%	18

D. OTHER INFORMATION OF INTEREST

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

This annual remuneration report was approved by the Board of Directors of the company in its meeting of **29 February 2024**.

Indicate whether any director voted against or abstained from approving this Report:
NO.