

In compliance with the information duties foreseen in articles 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on Market Abuse and 228 of the reformed text of the Securities Market Law approved by Royal Legislative Decree 4/2015 of 23 October and other supplementary regulations, NH Hotel Group, S.A. (“**NH**” or the “**Company**”) hereby notifies the *Comisión Nacional del Mercado de Valores* of the following

### SIGNIFICANT EVENT

The Board of Director’s meeting held yesterday, has approved, among others, the approval of the agreement to call the General Shareholders meeting for the next 29<sup>th</sup> June 2017, in accordance with the call and the proposed agreements that have been approved by the Board of Directors, that are enclosed hereto.

Carlos Ulecia Palacios  
General Secretary

Madrid, 11th May 2017

## **NH HOTEL GROUP, S.A.**

### **ORDINARY GENERAL SHAREHOLDERS' MEETING**

The Board of Directors of this Company, hereby calls the shareholders to an Ordinary General Meeting of NH Hotel Group, S.A. (the “**Company**”), to be held in Madrid, at the Hotel NH Madrid Ventas, Calle Biarritz, 2, 28028 Madrid, at 12:00 on 29 June 2017 on first call, and in the event that the quorum required by law has not been reached and the Meeting is unable to be held on first call, it is hereby also convened at the same place and time on the following day, on second call, it being foreseeable that the Ordinary General Meeting will be held on the first call, i.e. on 29 June 2017 at 12:00.

For the purposes of articles 173 and 516 of Royal Legislative Decree 1/2010, of 2 July, approving the Companies Act (Consolidating Act) (hereinafter, “Companies Act”), all shareholders are informed that this notice will also be published, among other media, on the Company’s website, the address of which is [www.nh-hoteles.es](http://www.nh-hoteles.es).

The object of the General Meeting is to deliberate and resolve on the matters included in the following:

#### **AGENDA**

1. Examination and approval, as the case may be, of the Individual and Consolidated Annual Accounts and the Individual and Consolidated Directors’ Reports for the year 2016.
2. Examination and approval, as the case may be, of the proposed application of results and of the distribution of the dividend for the year 2016.
3. Approval of the management by the Board of Directors during 2016.
4. Passing of relevant resolutions in relation to the Auditor of the Company and its consolidated group for the year 2017, under the provisions of article 42 of the Code of Commerce and article 264 of the Companies Act.
5. Ratification and appointment of Directors.
  - 5.1 Ratification of the appointment by co-optation of the Director Grupo Inversor Hesperia, S.A., classified as Proprietary Director, for the term of three years as established in the Articles of Association.
  - 5.2. Ratification of the appointment by co-optation of the Director Mr José María Sagardoy Llonis, classified as an Independent Director, for the term of three years as established in the Articles of Association

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- 5.3. Appointment of Mr Ramón Aragonés Marín to the post of Director classified as an Executive Director, for the term of three years as established in the Articles of Association.
6. Examination and approval, as the case may be, of the amendment of articles 42.1 and 42.4 of the Articles of Association.
7. Approval of the Share Award Plan.
8. Granting authorization to the Board of Directors for the derivative acquisition of own shares.
9. Establishment of the amount of the annual remuneration of the Board of Directors and its Committees.
10. Consultative vote on the Annual Report on Directors' Remuneration.
11. Delegation of faculties to formalize, clarify, interpret, remedy and execute the resolutions passed by the General Shareholders' Meeting.

#### **INTERVENTION OF A NOTARY PUBLIC AT THE MEETING**

The Board of Directors has agreed to require the presence of a Notary Public to draw up the minutes of the Meeting, in accordance with the provisions of article 203 of the Companies Act, and in relation to articles 101 and 103 of the Mercantile Registry Regulations.

#### **SUPPLEMENT TO NOTICE AND SUBMISSION OF PROPOSALS**

In accordance with the provisions of articles 172 and 519 of the Companies Act, shareholders representing at least three percent of the share capital may request that a supplement to this notice be published including one or more items on the agenda, provided that the new items are accompanied by a justification or, as the case may be, by a justified proposal for resolution. This right must be exercised by giving formal notice that must be received by the company, NH Hotel Group, S.A., General Secretary's Office, C/ Santa Engracia 120, 28003 Madrid, within five days following publication of this notice. Shareholders representing the same percentage indicated above may, within the above-mentioned term of five days as of publication of this notice, submit founded proposals for resolutions on matters already included or that should be included in the agenda for the Meeting.

#### **RIGHT TO INFORMATION**

In accordance with applicable legislation, it is hereby stated that as of the date of publication of this notice convening the meeting, shareholders are entitled to examine and obtain at the Company's registered office, or request that the Company send them, immediately and free of charge, the following documents:

I. In relation to matters submitted to the General Meeting on a decisive basis:

- Annual Accounts and Directors' Reports – of both the Company and its consolidated Group – for the year 2016.
- Proposed application of results and distribution of the dividend for the year 2016. Audit Reports issued by the Auditor of the Company and of its consolidated Group.
- Report of the Board of Directors in relation to item six of the Agenda (Amendment of articles 42.1 and 42.4 of the Articles of Association).
- Text of the Articles of Association with the proposed amendments highlighted in the document.
- Professional profile and report issued by the Board evaluating the competence, experience and merits of the Directors whose appointments are ratified, made or renewed.

II. In relation to matters submitted to the General Meeting on an informative basis or for a consultative vote:

- Annual Report on Directors' Remuneration.

III. In relation to other documentation made available to the shareholders prior to holding the General Meeting:

- This notice.
- The full text of the Proposed Resolutions formulated by the Board of Directors in relation to each of the items of the agenda included in the notice, to be submitted to the Meeting.
- Annual Corporate Governance Report for 2016.
- Annual Report of the Audit and Control Committee for 2016, including reference to related-party operations.
- Annual Report of the Appointments, Remuneration and Corporate Governance Committee for 2016.
- Forms to be used for proxy and remote voting.
- The total number of shares and voting rights on the date of the notice.
- Report on the auditor's independence

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The documents listed above will be accessible electronically, through the Company's website ([www.nh-hoteles.es](http://www.nh-hoteles.es)), hereinafter the Corporate Website, where this notice has been duly published.

With regard to the Report on the corporate social responsibility policy, it will be published in the Corporate Website, with sufficient time in advance to the Shareholders' meeting.

In accordance with the provisions of articles 197 and 520 of the Companies Act, until the fifth day prior to the date set for the meeting to be held on first call, shareholders may request the information or clarifications they consider necessary, or submit the questions they consider pertinent, on the matters included in the Agenda for the Meeting, or in respect of any information accessible to the public that the Company has provided to the National Securities Market Commission since the immediately preceding General Shareholders' Meeting was held and relating to the auditor's reports.

Pursuant to the provisions of article 539 of the Companies Act, the Company has set up on its Corporate Website an Electronic Shareholders' Forum, to which both individual shareholders and any voluntary associations created may access, with proper safeguards. The content of the rules for the operation of the Electronic Shareholders' Forum may be consulted on the Company's Corporate Website.

Attendees at the meeting are informed that on the date and time indicated for holding the Meeting, it will be streamed live on the Company's website ([www.nh-hoteles.es](http://www.nh-hoteles.es)).

### **RIGHT TO ATTEND AND VOTE**

Holders of one or more shares, registered in their name in the corresponding record of book entries five days prior to the day on which the Meeting is to be held, and who provide evidence of this through the pertinent attendance card or certificate issued by any of the participating entities in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., or in any other form admitted by ruling legislation, may attend the General Meeting. Each share entitles the holder thereof to one vote at the Meeting.

### **RIGHT OF REPRESENTATION**

Any shareholder who is entitled to attend the General Meeting may nominate another person to represent him or her at the meeting, even if that person is not a shareholder. The representation must be conferred in the terms and with the scope established by law, in writing, and specifically for each Meeting.

Representation may also be granted through remote communication channels (by post or electronically), duly guaranteeing the identity of the represented shareholder and the representative. Representation granted through electronic means will be valid when the electronic document conferring it incorporates the recognized electronic signature used by the represented shareholder, or other kind of signature that provides sufficient guarantees of authenticity and identification of the shareholder conferring representation and complies

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with the other requirements established in ruling legal provisions from time to time.

In general, the document setting out representations will include the identification of the person attending the Meeting in the shareholder's place, who must identify himself or herself adequately on the day of the Meeting.

Documents setting out delegations for the General Meeting will reflect instructions on how to vote, it being understood that if no express instructions are given, the representative will vote in favour of the proposed resolutions formulated by the Board of Directors on items included in the agenda.

If there are no voting instructions because the General Meeting is going to resolve on matters that were not included in the agenda and, therefore, were not known by the represented shareholder on the date of delegation, and may be put to the vote at the Meeting, the representative must cast the vote as he/she considers most appropriate, with due regard to the company's interests. The same shall apply when the corresponding proposal or proposals submitted to the General Meeting for its decision have not been formulated by the Board of Directors.

If the representation or delegation document does not indicate the specific person on whom the shareholder confers representation, it shall be understood that it has been granted to the Chairman of the Meeting, or to the person designated by him.

Representation may be revoked at any time. The attendance of the represented shareholder in person at the Meeting shall be considered to constitute revocation.

In the event of a public request for representation, the provisions of applicable ruling legislation shall be observed. In particular, the document recording the power of representation must contain the agenda or include it as an attachment, as well as the request for instructions to exercise the right to vote and the indication of how the representative will vote if no precise instructions are given. In such cases, the director or the person who obtains the representation may not exercise the voting right corresponding to the represented shares on those items of the agenda in which he or she has a conflict of interest and, in any case, on decisions relating to (i) his or her appointment or ratification, removal, separation or dismissal as a director, (ii) exercising the corporate liability action against him or her and (iii) the approval or ratification of operations between the Company and the director in question, companies controlled by him or her or that he or she represents or persons acting on his or her behalf.

To provide for the possibility that a conflict may exist, representation may be conferred on a subsidiary basis to a member of the Board or the Secretary of the Board of Directors, at the choice of the Chairman of the Meeting.

For the purposes of article 523 and 526 of the Companies Act, it is hereby stated that if the representative designated by a shareholder is a director of the Company, the directors will be in a situation of conflict of interest in relation to items 3, 9 and 10 of the Agenda. Directors whose appointments are to be ratified or renewed under item 5 of the Agenda are also in a situation of conflict of interest. The directors may also incur in a conflict of interest in relation to any proposed resolutions formulated on matters not included in the Agenda, if they refer, among other circumstances, to their revocation as director or the seeking of

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liabilities.

## **PROCEDURE FOR CONFERRING REPRESENTATION AND EXERCISING THE VOTING RIGHT THROUGH REMOTE COMMUNICATION MEDIA**

All shareholders entitled to attend may exercise the vote and/or delegation in relation to the items of the agenda for the General Meeting using remote means of communication between 14 June and 24.00 hours on 24 June 2017.

### **1. Representation through remote communication media**

Notwithstanding the conditions mentioned below, with regard to representation you are referred to the contents of the preceding section of this notice, entitled “Representation”, and the provisions of article 24 of the Articles of Association and article 13 of the General Meeting Regulations.

In general, the documents recording representations will include the identification of the person who will attend in the shareholder’s place, who must identify himself/herself adequately on the day of the Meeting. In the case of shareholders that are legal entities, the Company reserves the right to require evidence of the sufficiency and current validity of the power of the natural person who acts in representation of the shareholder.

The representative may hold representation of more than one shareholder, with no limitation as to the number of represented shareholders, and may cast different votes according to the instructions given by each shareholder. If instructions have been given by the represented shareholder, the representative will cast the vote in accordance therewith.

The empowerment to represent may be recorded:

#### **(i) By delivery or postal correspondence:**

Representation will be granted by completing the section included for that purpose on the attendance card provided by the depositary entity or the card that the Company makes available to shareholders through its Corporate Website in the section relating to the General Shareholders’ Meeting.

The shareholder granting representation must notify the designated representative of the representation conferred on him/her and, as the case may be, the voting instructions.

The card, duly completed and signed by hand, must be delivered by postal correspondence or delivered by hand to the registered office (NH Hotel Group, S.A., C/Santa Engracia 120, 28003 Madrid, for the attention of the General Secretary’s Office), together with a photocopy of the official document attesting to the shareholder’s identity.

#### **(ii) Using electronic means:**

Under the provisions of articles 184 and 522 of the Companies Act, shareholders with the right to attend the Meeting may delegate a shareholder or any other (natural or legal) person

to represent them using electronic remote communication media, following for that purpose the rules and instructions provided in this regard in the “Ordinary General Meeting 2017” section of the Corporate Website. For the purposes of guaranteeing suitably the authenticity and integrity of electronic communications, it will be necessary to have a recognized electronic certificate in the terms established in Electronic Signature Act 59/2003, of 19 December, valid and issued by the Spanish Public Certifying Authority (CERES) which depends on the public body FNMT-RCM (*Fábrica Nacional de Moneda y Timbre y Real Casa de la Moneda* – the National Mint).

With regard to the representation granted to financial intermediary, the provisions established in this regard by article 524 of the Companies Act shall apply.

## **2. Voting through remote communication media**

As in the case of representation, shareholders may exercise their voting rights at the General Meeting using the following means:

### **(i) By delivery or Postal correspondence:**

To exercise the remote voting right using such means, the shareholder must send the card obtained from the Company and available on the Corporate Website or complete the hard copy of the attendance card issued by the IBERCLEAR participating entity where that shareholder’s shares are deposited, and deliver it to the Company’s registered office for the attention of the General Secretary’ Office, duly completed and signed in the space reserved for the vote.

### **(ii) Electronic media:**

Under the provisions of articles 189, paragraphs 2 and 3, and 182 of the Companies Act, shareholders with the right to attend the General Meeting may also exercise their voting right using electronic media, following the rules and instructions provided in this regard in the “Ordinary General Meeting 2017” section of the Corporate Website. For the purposes of guaranteeing suitably the authenticity and integrity of electronic communications, it will be necessary to have a recognized electronic certificate in the terms established in Electronic Signature Act 59/2003, of 19 December, valid and issued by the Spanish Public Certifying Authority (CERES) which depends on the public body FNMT-RCM (*Fábrica Nacional de Moneda y Timbre y Real Casa de la Moneda* – the National Mint).

Shareholders who cast their vote in the terms indicated above shall be considered present for the purposes of determining whether the Meeting has a quorum. A vote cast using remote means may only be rendered void (i) by the express subsequent revocation using the same means as was used to cast the vote within the term established for that purpose, (ii) by the attendance at the meeting of the shareholder who cast the vote or (iii) by the sale of the shares granting the voting right, which comes to the Company’s knowledge at least five days before the date set for holding the Meeting.

## **PERSONAL DATA PROTECTION**

The personal data that shareholders provide to the Company in order to exercise their rights of attendance, delegation and to vote at the General Meeting or provided by the



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banking institutions and stock companies and agencies where such shareholders have deposited their shares, through the entity legally authorized to keep the record of book entries, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), will be processed (and included in a file for which the Company is the data controller) for the purpose of handling the development, compliance and control of the shareholding relationship with regard to convening and holding the General Meeting. Shareholders will have the possibility of exercising their right of access, rectification, cancellation and objection in accordance with the provisions of Personal Data Protection Act 15/1999, of 13 December, by writing to the Company's registered office, C/ Santa Engracia 120, edificio central, 28003 Madrid, for the attention of the Legal Department.

Pedro Ferreras Díez  
Secretary of the Board of Directors

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**RESOLUTIONS PROPOSED  
BY THE BOARD OF DIRECTORS**

**ORDINARY GENERAL SHAREHOLDERS' MEETING  
NH HOTEL GROUP, S.A.**

**29 JUNE 2017**

## ITEM ONE OF THE AGENDA

**Examination and approval, as the case may be, of the Individual and Consolidated Annual Accounts and of the Individual and Consolidated Directors' Reports for the year 2016**

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### PROPOSED RESOLUTION:

- A) To approve the Individual Annual Accounts of the Company (Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and Notes to the Accounts) and the Consolidated Annual Accounts of the group of which the Company is the parent company for the year ended 31 December 2016.
  
- B) To approve the Company's individual Directors' Report and the consolidated Directors' Report of the group of which the Company is the parent company for the year ended 31 December 2016.

## ITEM TWO OF THE AGENDA

### Examination and approval, as the case may be, of the proposed application of results and of the distribution of the dividend for the year 2016.

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#### PROPOSED RESOLUTION:

Approve the proposed application of results and distribution of dividends formulated by the Board of Directors in the meeting of 28 February 2017, and that is detailed as follows:

To distribute, chargeable with the results of fiscal year 31 December 2016, a dividend of 5 cents of euros for each share of NH HOTEL GROUP, S.A. with the right to perceive such dividend and is in circulation at the date on which the payment is due; this in accordance with the following calendar:

- *Last trading date:* 24 Julio 2017
- *Ex date:* 25 de Julio de 2017
- *Record date:* 26 de Julio de 2017
- *Payment date:* 27 de Julio de 2017

The distribution of the dividend will be done through the participating entities in "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal" (IBERCLEAR). The Board of Directors, after due verification of compliance of all obligations assumed under the finance agreements signed by NH HOTEL GROUP, S.A., shall be empowered to appoint the payment entity and to take all other measures that may be necessary for the payment. The base of the distribution (euros) is the following:

#### BASE OF THE DISTRIBUTION:

- Benefits of fiscal year 2016: EUR 128.964.447,47

#### DISTRIBUTION:

- To Legal reserve: EUR 128.964.447,47
- To dividend (máximum amount of EUR 0,05 gross per share of the total shares i.e. 350.271.788 ordinary shares that are circulating at that date): EUR 17.513.589,40.
- To compensate with Losses of previous years: 98.554.413,30

TOTAL: 128.964.447,47

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### **ITEM THREE OF THE AGENDA**

**Approval of the management by the Board of Directors during 2016.**

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**PROPOSED RESOLUTION:**

To approve the management by the Board of Directors during the year ended 31 December 2016.

## **ITEM FOUR OF THE AGENDA**

**Passing of relevant resolutions in relation to the Auditor of the Company and its consolidated group for the year 2017, under the provisions of article 42 of the Code of Commerce and article 264 of the Companies Act.**

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### **PROPOSED RESOLUTION:**

To re-elect **DELOITTE, S.L.** (with registered office in Madrid, Plaza Pablo Ruíz Picasso, 1 (Torre Picasso), and with Tax Identification Number B-79104469, registered in the Official Register of Auditors (ROAC) under number S-0692, and registered in the Mercantile Registry of Madrid in volume 13,650, folio 188, section 8, page M-54414, as Auditor of the Company and its consolidated group for the year 2017.

## ITEM FIVE OF THE AGENDA

### Ratification and appointment of Directors

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#### PROPOSED RESOLUTION:

**5.1 Ratification of the appointment by co-optation of the Director Grupo Inversor Hesperia, S.A., classified as Proprietary Director, for the term of three years as established in the Articles of Association**

**5.2. Ratification of the appointment by co-optation of the Director Mr José María Sagardoy Llonis, classified as an Independent Director, for the term of three years as established in the Articles of Association.**

**5.3. Appointment of Mr Ramón Aragonés Marín to the post of Director classified as an Executive Director, for the term of three years as established in the Articles of Association.**

## ITEM SIX OF THE AGENDA

**Examination and approval, as the case may be, of the amendment of articles 42.1 and 42.4 of the Articles of Association.**

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### PROPOSED RESOLUTION:

To amend the following articles included in Chapter Two of Title Three of the Articles of Association, concerning the Board of Directors: article 42.1 and 42.4 (Remuneration of the members of the Board of Directors)

**To amend article 42.1 and 42.4 (Remuneration of the members of the Board of Directors) of the Articles of Association, which shall henceforth read as follows:**

*“Article 42. Remuneration of the members of the Board of Directors*

#### *Section One: General Considerations*

*1.- Notwithstanding the provisions of paragraph four below, the Directors’ remuneration shall consist of a fixed annual allowance and an allowance for attending meetings of the Board of Directors and of its executive and consultative committees, the amounts of which will be determined by the General Shareholders’ Meeting.”*

*[...]*

*“4.- ~~In addition to the remuneration referred to in the preceding paragraphs, Executive Directors shall be entitled to receive additional remuneration for the executive functions carried out in the context of their employment or mercantile relationship with the Company, which will include their duty as a Board member. Accordingly, such remuneration will include both executive functions and the duties as a Board member. other than the duties as a Board member.~~ In particular, such remuneration will be made up of the following components: (a) a fixed portion, in line with the services and responsibilities undertaken; (b) a variable component, correlated to an indicator of the CEO’s or the Company’s performance; (c) benefits, which will include the pertinent insurance; and (d) compensation in the event of early termination of the provision of executive services not due to a breach*



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*attributable to the Director. The determination of the amounts of the remuneration items referred to in this paragraph will be in line with market conditions and will take into account the inherent responsibility and degree of commitment of the role of each Executive Director.”*

## ITEM SEVEN OF THE AGENDA

### Approval of the Share Award Plan.

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#### PROPOSED RESOLUTION:

##### **1.- Long-term Share-based Incentive Plan:**

To approve, for the purposes of the provisions of article 219 of the Companies Act and other applicable legislation, a Long-Term Share-Based Incentive Plan (hereinafter, the "Plan") aimed at the CEO, Management Committee, certain executives and key personnel (hereinafter "the Beneficiaries") of NH Hotel Group, S.A. (hereinafter "NH" or the "Company").

The Plan is approved pursuant to the following basic characteristics, which will be developed in the Long-Term Incentive Regulations 2017-2019 and subsequent cycles (hereinafter the "Regulations") to be approved by the Board of Directors:

##### **(a) Description:**

The Plan is implemented through the award to each Beneficiary of a certain number of Performance Shares (hereinafter the "Performance Shares") which will serve as the basis to determine, according to the degree of attainment of certain objectives (hereinafter the "Degree of Attainment" and "Objectives") and, if the requisites established in the Plan are met, the number of NH shares to be awarded to each Beneficiary at the end of each of the Plan cycles.

Until the shares in the Company are awarded, the Plan does not confer upon Beneficiaries the status of shareholders of the Company. The Performance Shares do not under any circumstances entail the granting of economic or voting rights on the Company's shares or any other right associated to the status of shareholder. Beneficiaries will become shareholders of the Company only on settlement of the Plan and delivery, as the case may be, of the corresponding shares.

The specific number of NH shares to be delivered to each Beneficiary of the Plan at the end of it, if the established conditions have been met, will be subject to and determined by the Degree of Attainment of the following Objectives:

- Total Shareholder Return (hereinafter TSR), measured:
  - Relatively at the end of each of the Plan cycles, compared to the companies that make up the Dow Jones EUROPE STOXX Travel & Leisure index.
  - Absolutely, considered to be the revaluation of the share plus the dividends received measured at the end of each of the three cycles.
- Recurring EBITDA after discounting rental, compared each year with the forecasts of the Company's Strategic Plan.
- Net Income. The result obtained by NH after deducting all expenses (including depreciation and amortization and taxes) from the total revenue, compared each year to the forecasts of the Company's Strategic Plan.

If the minimum performance levels are not reached in relation to these objectives, the Plan Beneficiaries will not be entitled to receive shares under the Plan.

**(b) Beneficiaries:**

The members of the Management Committee and the rest of the NH management team expressly invited by the Board of Directors of NH, at the proposal of the Nominations, Remuneration and Corporate Governance Committee (hereinafter "NRCGC"), as well as the members of the Board of Directors who have executive functions, will be considered to be Beneficiaries of the Plan.

Invitation to participate in the Plan will be through the corresponding letter of invitation (hereinafter "Letter of Invitation") send by the Company.

The estimated number of Beneficiaries of the Plan totals 100 people, notwithstanding possible new Beneficiaries who join the Plan.

In this regard, the Board of Directors of the Company, at the proposal of the RCGA, may agree to allow new Beneficiaries not initially envisaged to join the Plan, to the extent that they are executives or key employees for the future of NH and there is an actual interest in guaranteeing their ties to the Company.

**(c) Term:**

The Plan will be for a total term of five years and will be divided into three cycles (hereinafter "the Cycles") of three years each (i.e. handing over the corresponding shares in each Cycle three years after it started) which are independent of each other. The measurement period of the first Cycle will start on 1 January 2017 (hereinafter the "Start Date of the First Measurement Period") and will end on 31 December 2019 (hereinafter the "End Date of the First Measurement Period"), notwithstanding the actual settlement of the Plan, which will take place when the corresponding shares are handed over during the first quarter of 2020

(hereinafter Settlement Date of the First Cycle).

This arrangement will be repeated during each of the three Plan Cycles.

Notwithstanding the above, the Plan will start formally with the approval, as the case may be, of the Plan by the General Shareholders' Meeting, i.e. on 29 June 2017 (hereinafter "Plan Approval Date").

In the case of Beneficiaries who join the Plan after the above-mentioned date, the Letter of Invitation may establish another start date after 1 January 2017.

Notwithstanding the above, the Company's Board of Directors has the power to decide, before the start of each of the Cycles, on their effective implementation according to the Company's economic situation at that time.

**(d) Maximum number of NH shares included in the Plan:**

The maximum number of NH shares that can be awarded to Beneficiaries under the Plan at the end of each of the Cycles will be the result of dividing the maximum amount assigned to that Cycle by the average listed price of the NH shares on the ten (10) stock exchange trading days prior to the date of award for the Cycle in question (hereinafter, "Reference Value").

The total maximum amount assigned to the Plan in each of the Cycles in the event of maximum compliance with the established Objectives is set at the sum of 5,400,000 euros for each of the three Cycles.

In any case, the total number of shares to be awarded under the Plan to the group of Beneficiaries (including the CEO) at the end of each Cycle may never exceed the number of shares resulting from dividing the maximum amount assigned to each Cycle of the Plan by the Reference Value established for that Cycle.

The Beneficiaries of the Plan include the present CEO of NH who, if the requisites and conditions established in the Plan are met to the highest degree, would be entitled to receive, at the end of the first Cycle, the number of shares resulting from dividing the amount of 450,000 euros by the Reference Value for that Cycle (which represents the maximum possible number of shares to be received in the event of maximum attainment of the Objectives, excluding rent).

For each of the remaining Cycles, the Board of Directors will determine, with a prior report from the NRCGC, the maximum amounts that will be used as the basis for establishing, based on the corresponding Reference Value, the maximum number of shares that can be awarded to the CEO, and this maximum amount may not under any circumstances exceed for the combined three (3)

Cycles of the Plan the sum of 1,400,000.00 euros (applicable to maximum attainment of the Objectives).

The number of shares actually awarded to the CEO under this Plan at the end of each Cycle, and the number of shares actually awarded to senior management personnel and other executive personnel will be reported in accordance with the requirements of ruling legal provisions.

**(e) Requisites for the award of shares:**

Beneficiaries must remain with the Company or its group of companies until the Settlement Date of each Plan Cycle, except in special circumstances exceptions such as death, permanent disability or retirement, and reach the minimum thresholds of compliance with the Objectives.

**(f) Delivery of shares and rules on disposal:**

Any shares deriving from the settlement of the Plan will be delivered to the Beneficiary by book entry, or other applicable stock exchange procedure, in the corresponding securities account.

The shares received under this Plan will be fully paid up, admitted for trading, free from any encumbrance and the holders thereof, in general, will not be subject to limitations or restrictions that are not applicable on a general basis to the Company's shareholders, by virtue of the provisions of contracts, the Articles of Association or law.

The above will not apply to the Company's CEO and to the Management Committee, which will be subject to the limitation that includes the obligation to keep the shares received (net of the corresponding interim payment on account of Personal Income Tax) for a term of one year after they are awarded. At the end of this period, the shares may be freely disposed of.

**(g) Clawback clauses:**

If certain circumstances arise that bring to light, even after the fact, non-compliance with the Objectives, the Board may, at the proposal of the NRCGC, claim back all or part of the Incentive paid. These clauses will apply to all Beneficiaries and will have a term of application of two years as of the End Date of the Measurement Period for each Cycle. Specifically, among other circumstances, Beneficiaries may be required to return the Incentive received in the following cases:

- Reformulation of the Company's financial statements that is not due to an amendment of the applicable accounting standards or interpretations.
- Sanctions are imposed on the Beneficiary due to serious breach of the code of conduct and other applicable internal regulations.
- When the settlement and payment of the Incentive was carried out totally or partially based on information which was subsequently shown to be clearly false or seriously inaccurate.

**(h) Cover:**

The Company may apply the shares that make up now or may make up in the future its portfolio of own shares in order to cover the Plan, or have recourse to another suitable financial instrument determined by the Company.

**(i) Minimum Investment Maintenance Programme:**

In addition, the present CEO will retain ownership of the number of shares in the Company resulting from having invested an amount equivalent to his gross annual remuneration in the purchase of such shares. For these purposes, if the shares come from this Long-Term Incentive, the value of the share will be taken into account according to the price at which they were awarded or, in the case of shares acquired previously, according to the weighted average listed price of the share on the day this resolution is approved.

The above-mentioned investment level must have been reached by the end of five years after the date of approval of this resolution.

**(j) Authorizations:**

To empower the Company's Board of Directors, in the widest terms, the Board of Directors being entitled to delegate these faculties to the NRCGC, the CEO or any other person that the Board of Directors expressly empowered for this purpose, to implement, when and as considered advisable, develop, formalize and execute the Plan, adopting as many resolutions and signing as many public or private documents as may be necessary or advisable for the fullest effects, including the faculty to remedy, rectify, modify or supplement this resolution and, in general, to pass as many resolutions and carry out as many acts as may be necessary or merely advisable for the successful implementation of the Plan, including, but not limited to, the following faculties:

- (a) To implement the Plan when considered advisable and in the specific form considered appropriate.
- (b) To develop and establish the specific conditions of the Plan in all matters not

provided for in this resolution, including, in particular, and without limitation, to establish the consequences of a change in control and regulate the situations of early settlement and declare compliance with any conditions to which such early settlement is linked.

(c) To draw up, sign and submit any communications and supplementary documentation as may be necessary or advisable to any public or private body for the purposes of implementation and execution of the Plan, including, if necessary, the corresponding prior notifications and informative prospectuses.

(d) To carry out any act, declaration or formal procedure at any public or private body or entity or registry, to obtain any necessary authorization or clearance for the implementation and execution of the Plan.

(e) To negotiate, agree and formalize counterparty and liquidity agreements with the financial institutions it freely designates in the terms and conditions it considers suitable.

(f) To draw up and publish as many notices as may be necessary or advisable.

(g) To draw up, sign, grant and, as the case may be, certify any type of document relating to the Plan.

(h) To adapt the content of the Plan to any corporate circumstances or operations that may arise while it is in force, in the terms considered advisable, and, to the extent that the legal regime applicable to certain Beneficiaries so requires or advises, or if necessary for legal, regulatory, operational or other similar reasons, to adapt the conditions established on a general basis.

(i) And, in general, to carry out as many actions, make as many decisions and formalize as many documents as may be necessary or merely advisable for the validity, enforceability, implementation, development, execution, settlement and success of the Plan and of the resolutions passed above.

## ITEM EIGHT OF THE AGENDA

### **Granting authorization to the Board of Directors for the derivative acquisition of own shares.**

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#### PROPOSED RESOLUTION:

1.- To authorize the Company's Board of Directors to proceed with the derivative acquisition of own shares in the terms indicated below:

a) The acquisition may be carried out under any title accepted in law, on one or more occasions, provided that the shares acquired, added to those already held by the Company, do not exceed 10 per cent of the Company's share capital, jointly, if applicable, with those of other group companies.

b) The acquisition, including any shares that the Company or person acting in his/her own name but on the Company's account has acquired previously and holds in its portfolio, may be carried out provided that it does not produce the effect of causing equity to be lower than the amount of share capital plus reserves that by virtue of the law or the Articles of Association are not available for distribution. For these purposes, equity shall be considered to be the amount classified as such in accordance with the principles used to draw up the annual accounts, less the amount of the profits recorded directly in equity, and increased by the amount of uncalled subscribed share capital, as well as by the amount of the par value and share premium account in respect of the subscribed share capital that is recorded for accounting purposes as a liability.

c) The shares must be fully paid up.

d) The term of validity of the authorization will be 5 years as of the day this resolution is passed.

e) The minimum acquisition price will be 95 per cent and the maximum price will be 105 per cent of the closing price of the share on the continuous market on the day before the operation is carried out, and the acquisition operations must also conform to the standards and uses of the securities markets.

It is hereby expressly stated that the shares acquired as a result of this authorization may be applied both for disposal or redemption thereof and for use in the remuneration systems contemplated in the third paragraph of section a) of article 146 of the Companies Act and especially they may be applied in full or in part to the award to beneficiaries of the Remuneration Plan or Plans for executives and employees of the Company.



2.- To replace and render null and void, in respect of the unused amount, the authorization granted to the Board of Directors for the derivative acquisition of own shares resolved upon by the General Shareholders' Meeting of 25 June 2013.

3.- To authorize controlled companies, for the purposes of the provisions of the second paragraph of section a) of article 146 of the Companies Act, to acquire shares in the parent company through purchase or any other title for valuable consideration, in the same terms and with the same limits as this resolution.

4. To empower the Board of Directors, in the widest terms, to make use of the authorization granted in this resolution and to execute and develop it in full; the Board of Directors being entitled to delegate these faculties to the Chairman, the CEO, the Secretary, the Vice-Secretary or any other person that the Board of Directors considers appropriate.

## **ITEM NINE OF THE AGENDA**

### **Establishment of the amount of the annual remuneration of the Board of Directors and its Committees.**

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#### **PROPOSED RESOLUTION:**

At the proposal of the Appointments, Remuneration and Corporate Governance Committee, and in accordance with the provisions of the Articles of Association, to establish at 1,200,000 Euros, the maximum total gross annual amount of the fixed remuneration and attendance expenses of the Board of Directors and its Committees for 2017.

## **ITEM TEN OF THE AGENDA**

### **Consultative vote on the Annual Report on Directors' Remuneration.**

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#### **PROPOSED RESOLUTION:**

To approve, on a consultative basis, the Annual Report on Directors' Remuneration, the entire text of which was sent to the National Securities Market Commission (CNMV) when it was approved by the Board of Directors and has been published on the website of the CNMV since 28 February 2017, and has also been available on the website of NH Hotel Group, S.A. since the date of the notice of this Ordinary General Meeting.

## **ITEM ELEVENTH OF THE AGENDA**

**Delegation of faculties to formalize, clarify, interpret, remedy and execute the resolutions passed by the General Shareholders' Meeting.**

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### **PROPOSED RESOLUTION:**

To empower, on a joint and several basis, Mr Pedro Ferreras Díez and Mr Carlos Ulecia Palacios, Secretary and Vice-Secretary, respectively, of the Board of Directors, so that either of them indistinctly may formalize and execute the above resolutions, for which purpose they may grant the public or private documents that may be necessary or advisable (including those of interpretation, clarification, rectification of errors and remedy of defects) for the more exact compliance therewith and for the registration thereof in the Mercantile Registry and in any other Public Registry, and so that either of them may proceed, as the case may be, to remedy any new texts proposed for approval at this Meeting, in accordance with any qualification made by the Mercantile Registrar or any other qualifying body.