

Directors' Remuneration Policy 2022-2024

10 June 2021

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1. Definitions

CNMV: Spanish Securities Market Commission.

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

Executive Director or Chief Executive Officer: The directors performing management duties in the Company or its Group, irrespective of their legal link therewith. Directors who perform management duties and, simultaneously, are or represent a significant shareholder or which is represented in the Board of Directors, shall be considered an executive director.

For the purposes of this Policy and, at the date of approval hereof, Mr. Gabriel Escarrer Jaume, Executive Vice President and Chief Executive Director of Meliá is the sole Director performing executive duties.

Agreement: commercial agreement of service provision.

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

ACGR: Annual Corporate Governance Report.

ARRD: Annual Report on the Remuneration of Directors.

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

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

Policy or Remuneration Policy: Directors' Remuneration Policy of Meliá for years 2022, 2023 and 2024 or for the previous three-year period 2019, 2020 and 2021, as appropriate.

2. Background and Regulatory Framework

The Remuneration Policy has been designed in accordance with the commercial legislation in force stipulated in the Corporate Enterprises Act, in line with best practices and recommendations on remunerations and corporate governance, all within the framework of the Company Bylaws and the Regulations of the Board of Directors.

This Policy continues to adhere to the principles of moderation, prudence and creation of long-term value that guided the previous Policy, ensuring at all times internal equity and improving external competitiveness.

However, the recent developments on remuneration, i.e., the reform of the Good Governance Code of Listed Companies of the CNMV and the amendment of the Corporate Enterprises Act and other financial regulations, in terms of promoting long-term commitment of shareholders in listed companies and the social and economic impact as a result of COVID-19, led the Committee and the Board of Directors to introduce some changes with respect to the previous Policy.

This Policy identifies, includes and regulates, inter alia, the procedures for the definition and approval of the Remuneration Policy, as well as its review, general characteristics, compatibility and alignment with the long-term strategy, goals, values and interests of the Company and its stakeholders, the general principles of the Remuneration Policy, as well as the different remuneration schemes applied.

Finally, it is worth mentioning that the preparation of this Policy by the Board of Directors and the Appointments, Remuneration and CSR Committee has been hampered by the lack of long-term visibility, the existing uncertainty given the social and economic situation as a result of the pandemic / COVID-19 and the pandemic itself, as well as the dependence of the business on the regulatory and mobility measures than may be taken at any time.

For this reason, considering the lack of visibility on one hand, and for the purposes of having a transparent Policy available and looking after the interests of shareholders and investors on the other hand, the minimum period of long-term variable remuneration for Executive Directors has been reduced and the Company's management bodies have been allowed certain flexibility to define the Executive Directors' variable remuneration scheme in terms of parameters and goals.

3. Principles

The Remuneration Policy is aimed at creating value in the long term for the Group, and seeks to align with the Strategy Plan, the interests of employees, shareholders and other stakeholders and the Company's long-term sustainability.

The Company Bylaws and the Regulations of the Board of Directors include principles of moderation, prudence and creation of long-term value, and expressly provide that in determining remuneration, the Directors' actual dedication is taken into account, at all times in line with market practices to maintain competitiveness, and with the economic and social situation.

Likewise, the remuneration policy defined in the Company Bylaws and the Regulations of the Board seeks that the Directors' remuneration is adapted according to their category of Independent Directors or Executive Directors, so that, according to the general principles detailed below, it provides incentives for dedication, qualification and responsibilities assumed by each director ensuring that, in any case, remuneration does not constitute an impediment to their independence, particularly, in respect of External Independent Directors, whilst maintaining a separate remuneration scheme for the Company's Executive Directors in order to fairly and competitively compensate the additional responsibilities of those performing management duties in the Company or its Group.

In any case, the Regulations of the Board of Directors provide that the remuneration of the Board of Directors shall be transparent and that sufficient information in line with the recommendations of good governance of listed companies is provided well in advance. In particular, the total amount of remuneration is reported in the Notes to the Annual Accounts and in the ACGR.

As a result and development of the above, this Policy has been designed based on the general principles aforesaid, namely:

- To promote profitability, business strategy and interests and long-term sustainability of the Company and, at the same time, include the necessary measures to avoid excessive risk-taking and reward of unfavourable results.

- To define a remuneration scheme according to dedication and responsibility assumed by Directors and to market conditions (considering sectors and similar companies) in order to attract and retain the most suitable profiles to cover the knowledge, competencies and experience required in the Board, ensuring that there are suitable candidates to hold office as Directors.
- To promote and reinforce achievement of results of the Company and the Group.
- Information transparency and commitment to shareholders and investors.
- To implement the applicable principles governing this Policy in the remuneration policy applicable to the other Group's employees (schemes adapted to dedication and responsibility, long-term results, talent retention, etc.)

4. Alignment of the Policy with the Employees' Remuneration Scheme

In order to define the remuneration scheme of the directors and formulate this Policy, and in compliance with the provisions of the new Article 529 *novodecies* 3.c) of the Corporate Enterprises Act, the remuneration scheme and policy of the Group's employees have been considered.

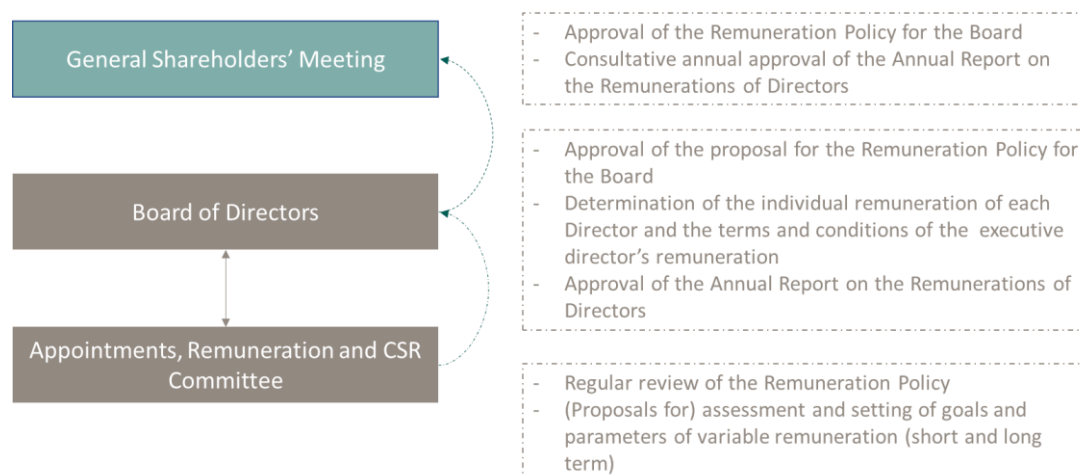
According to the Group's internal regulations, the remuneration of the Meliá's staff includes, inter alia, the following items:

- Fixed remuneration, which is determined by the position held and according to the salary range established.
- Short-term and/or long-term variable remuneration (if appropriate, and in any event, it is not guaranteed), which allows to reward goal achievement. It is always set as a percentage of the fixed annual remuneration.

In this sense, the Remuneration Policy is in line with that of the other employees, sharing the following principles:

- Non-discrimination on the grounds of gender, age, cultural background, religion and race, or any other circumstance. In this regard, all the Group's employees are remunerated on the basis of their professional worth, experience, dedication and the responsibility assumed.
- The remuneration packages of the Executive Director and the Company's management team, whose performance may have an impact on the realisation of the risks identified in the Risk Map, comprise variable components related to short-term and/or long-term goals as defined in the Strategic Plan. The responsibilities assigned to these staff categories also include specific risk management functions, such as adopting the necessary measures to identify the main risks and reporting them to the Audit and Compliance Committee via the appropriate channels.

5. Competent Bodies and Decision-Making Process



5.1 Appointments, Remuneration and CSR Committee

The Appointments, Remuneration and CSR Committee plays a fundamental role in the process of analysis and determination of the Company's remuneration policy as it prepares proposals and/or reports required by law and participates in the processes which are detailed throughout this Policy.

Its duties, pursuant to Article 39 *Ter* of the Company Bylaws and Article 15 of the Board of Directors Regulation, are the following:

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

As part of the decision-making process, the Committee is supported and advised by the Compensation Department (Human Resources), which carries out a prior analysis of remuneration data of similar companies, Corporate Governance (Legal and Compliance) as well as external professionals.

The Chairman of the Appointments, Remuneration and CSR Committee, where appropriate, may attend the General Shareholders' Meeting to report on the activities of the Committee in terms of remuneration.

5.2 Board of Directors

The involvement of the Board of Directors in determining the remuneration occurs in two relevant occasions.

On one hand, the Board of Directors analyses the proposals and reports prepared by the Appointments, Remuneration and CSR Committee on remuneration issues, using the tools provided by the Committee (statistical or comparative information, third-party reports, etc.) in order to formulate the proposals to be submitted to the General Shareholders' meeting for approval, such as the maximum amount of overall annual remuneration or the articles of the Company Bylaws or regulatory provisions concerning remuneration.

On the other hand, once the maximum amount referred to in the preceding paragraph is approved at the General Shareholders' Meeting, the Board of Directors, at the proposal of the Appointments, Remuneration and CSR Committee, defines the individual remuneration of each director taking into account at all times the duties and responsibilities assigned to each Director, the membership to the Board's Delegated Committees and other objective circumstances deemed relevant (i.e. Delegated Committees Chairmanship, Board Secretariat, ...).

In addition to the above, and with regard to Directors performing executive duties in the Company, the Board of Directors, following a proposal of the Appointments, Remuneration and CSR Committee, is the body responsible for approving the terms and conditions of the agreements entered into by and between such Directors and the Company in the manner prescribed in the Corporate Enterprises Act, the Company Bylaws and the Regulations of the Board of Directors. Under such agreements, which in any case must comply with this Remuneration Policy, the Executive Directors may receive certain additional amounts for the performance of these executive duties.

Likewise, the Board of Directors, prior report of the Committee, prepares annually the ARRD, which is made available to the shareholders at the time of convening the General Shareholders' Meeting and which is submitted to consultative vote as a separate item on the agenda.

5.3 General Shareholders' Meeting

In accordance with Article 37 of the Company Bylaws, the role of the General Shareholders' Meeting is to approve the maximum amount of the total fixed annual remuneration to which all the Directors are entitled in their capacity as such. This is without prejudice to the payment of fees or remuneration that they can obtain from the Company for the rendering of professional services or derived from staff work, as appropriate.

In addition, the application of any remuneration systems with reference to market value of the shares or that entail the delivery of shares or option rights over shares, must also be approved by the General Meeting in addition to determining the value of the shares taken as a reference, the number of shares awarded to each Director, the exercise price of the option rights, the term of this remuneration system and other conditions deemed appropriate.

6. Remuneration Structure

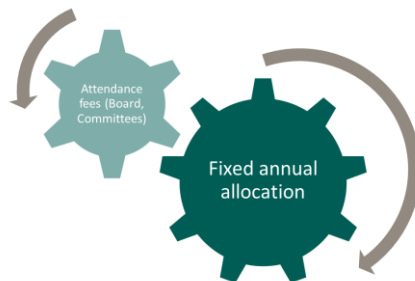
According to the Company Bylaws, a separate remuneration system is established for Directors in their capacity as such and for the Executive Directors of the Company since the latter have additional responsibilities.

6.1 Maximum amount of annual remuneration for Directors

The maximum amount of remuneration for Directors in their capacity as such is established in ONE MILLION TWO HUNDRED THOUSAND EURO (€ 1,200,000), such amount will remain in force until the General Shareholders' Meeting approves its amendment.

This limit will be applied to the amount resulting from the sum of the items mentioned in section 6.2 below (Fixed Remuneration, Attendance Fees, [...]), which remunerate the performance of the Directors' duties in their capacity as such, i.e., except for the amounts paid for the performance of executive duties.

6.2 Remuneration structure of Directors in their capacity as such



According to the provisions of Article 37.1 of the Company Bylaws, the remuneration of Directors in their capacity as such consists of:

- **Fixed annual remuneration**, for supervisory and decision-making duties.
- **Fees for attendance** at the meetings of the Board of Directors and the Committees of which they are part.

The Board of Directors, at the proposal of the Committee, may determine a separate remuneration linked to the membership in the various Board's Committees, Chairmanship thereof for the position of Secretary of the Board of Directors, in line with the remuneration principle of rewarding on the basis of level of responsibility and dedication required.

The Board of Directors fixes the amount to be paid within the maximum limit (section 6.1.) and its distribution among the Directors, taking into account positions, duties and responsibilities of each Director, whether they belong to Board committees, and other objective circumstances that it considers to be relevant.

The accrual of the remuneration in respect to the fixed annual allocation is monthly in arrears, so that the remuneration of each Director will be proportional to the period in which they have held office during the year in which the remuneration is fixed.

In any event, the information on the amounts paid to the Directors in their capacity as such during the year will be included in the ARRD which is submitted annually to the General Meeting.

The foregoing is without prejudice to the payment by the Company of reasonable travel and accommodation expenses arising in connection with the Directors' attendance at the meetings of the Board of Directors and the Committees to which they belong.

The remuneration of Directors in their capacity as such does not include loans, advances or guarantees.

6.3 Remuneration structure for the performance of executive duties

In addition to the above, the remuneration package of Executive Directors includes:

- I. Fixed annual remuneration.
- II. Short-term variable remuneration.
- III. Long-term variable remuneration.
- IV. Remuneration in kind and other benefits.

These elements are further developed in the relevant Agreement, which has been approved according to the provisions of Article 249 of the CEA and the basic elements thereof are referred to in section 7 of this Policy.

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 components ensure that the personal performance of Directors is sustainable and aligned with risks, ensuring that variable remuneration accrual and collection parameters are determined in a very strict manner in both cases.

6.3.1 Fixed annual remuneration

Executive Directors are entitled to fixed annual remuneration given the higher level of dedication and responsibility which their position involves. This remuneration must be competitive in relation to usual sector standards for positions with executive responsibilities.

Fixed annual remuneration will be fixed by the Board of Directors at the proposal of the Appointments, Remuneration and CSR Committee. In order to determine it, the Committee shall consider the market analysis carried out by top tier consulting firms in this field in order to establish a remuneration adapted to the duties performed by the Executive Directors at any time. Likewise, other factors such as average increases in the remuneration of the Company's executives shall be taken into account.

This fixed amount shall represent a sufficient part of total remuneration to maintain an appropriate balance between fixed and variable remuneration components.

The fixed annual remuneration of the Executive Director for 2021 amounts to SEVEN HUNDRED AND SIXTY-ONE THOUSAND AND EIGHTY-EIGHT EUROS AND SIX CENTS (€ 761,088.06). This is without taking into account any applicable reductions due to the social and economic situation as a result of COVID-19 and that the Company has informed to the market.

This amount shall remain fixed until the Board of Directors agrees to change it, where appropriate, in accordance with the criteria above described. In the case of changes, these will be included in the ARRD which is annually submitted to consultative vote at the General Shareholders' Meeting, and which is available to the shareholders on the company's website.

6.3.2 Short-term variable remuneration.

Short-term variable remuneration items, if any, are set as a percentage of fixed remuneration, as described below. Its goal is to encourage the achievement of predetermined, specific and quantifiable strategic goals related to the management of the Executive Directors, therefore, short-term variable remuneration is directly linked to the achievement of such goals.

For its determination, assessment of its compliance and calculation of the final amount, the Board of Directors, based on the proposal of the Appointments, Remuneration and CSR Committee, will weigh the different goals linked to the most critical results of the Company and the annual targets established, applying, if feasible, the same criteria also set for the senior management of the Company.

Every year, the Board of Directors, at the proposal of the Committee, will fix and assess the level of compliance of short-term variable remuneration of Executive Directors.

The target amount (100%) of short-term variable remuneration will correspond with a percentage of the fixed salary, establishing a minimum theoretical collection of 0% and maximum of 150%, with an intermediate assessment scale ranging from 60% to 150% according to goal categories.

Currently, such percentage is SIXTY PER CENT (60%) of the fixed annual remuneration, without prejudice to the power of the Board and the Committee to update and adjust such percentage and report it in the ARRD.

Levels of compliance with these goals can be divided into the following:

Economic goals: In which maximum compliance is 150% and minimum compliance is 0%, with a scale that links collection ratio to percentage of compliance. The assessment of these goals is based on compliance with annual targets (budget) defined individually for each goal, using the actual accounting amount on annual closure as reference for fulfilment.

All goals of this type have quantifiable targets and results, so that the percentage of compliance is the result of dividing the actual amount by the budgeted amount.

Non-economic goals: They have a maximum compliance of 130% and a minimum of 0%, with a four-level of compliance gradual scale (0%, 75%, 100% and 130%).

Sustainability-related goals are included in non-economic goals.

The assessment of these goals will be based on a performance scale, defined by the Appointments, Remuneration and CSR Committee, divided into cumulative levels of compliance with milestones.

Annually, indicators and targets linked to short-term variable remuneration will be adjusted based on the Group's priorities.

6.3.3 Long-term variable remuneration

Executive Directors may be also entitled to long-term variable remuneration which is intended to align with the shareholders' interests and maximise their profitability, create value and long-term sustainability and performance of the Group, as well as to foster retention and motivation of Executive Directors, and which includes: (i) payments in cash, (ii) payment in shares or option rights over shares, (iii) as well as any other remuneration system linked to the value of the shares or the creation of value for shareholders in the long term.

In any event, long-term variable remuneration shall meet the following criteria:

- The schemes shall cover a minimum period of TWO (2) years, with ONE-(1)-year grace period between schemes.
In any event, this period shall allow to remunerate continued performance in order to assess contribution to sustainable value creation.
- This remuneration may be linked to the results of the Company's Strategic Plan, in which case the targets and goals shall have the same duration as the accrual of long-term variable remuneration.
- The metrics to be applied and the goals to be fulfilled shall be defined by the Board of Directors, at the proposal of the Committee, ensuring in any event that they are linked to the creation of value and are not merely derived from the general evolution of the stock markets or the sector of the Company's activity.

The Board of Directors' freedom of decision may include metrics that measure the creation of value directly or indirectly.

In any event, metrics and goals shall promote the sustainability of the company and will include non-financial criteria that are appropriate for the creation of long-term value.

Among others, the following scales may be determined:

- Total Shareholder Return (and its corresponding rate) of the reporting period, as a scale to measure the creation of value for the shareholder;
- Net debt/EBITDA ratio on consolidated basis at the end of the last year of the reporting period.
- Ordinary profit before tax of the reporting period.

The Board of Directors, prior consideration of the Committee's recommendation, shall define with reference to the metrics or agreed metrics, at least, the following:

- Minimum level below which an achievement will be deemed to not have been reached; and
- In the case of several metrics, the weighing given to each of them in measuring the level of achievement in the reporting period.

- Long-term remuneration schemes shall include the necessary measures to avoid excessive risk-taking and rewarding of unfavourable results.
- The target amount (100%) of this multi-year variable remuneration will be based on an amount corresponding to a percentage (%) of the fixed amount of the fixed salary of the Executive Director determined by the Appointments, Remuneration and CSR Committee.
- Maximum collection amount will be 150% and minimum collection amount will be 0%.

6.3.4 Remuneration in kind and other benefits

Life and accident insurance: The Executive Directors may have a life and accident insurance policy according to market practices. Maximum insured capital will be equal to a fixed annual salary.

Private health insurance: The Executive Directors may have a private health insurance for themselves and their family unit.

Social welfare plans: Executive Directors may have a social welfare plan to cover retirement, death or disability. The plan shall be arranged through contributions of the Company to a Life Insurance policy according to the terms and conditions that are common in the market at any time, with a maximum contribution of 10% of their fixed annual salary. Additionally, the Board of Directors, at the proposal of the Committee, may approve extraordinary contributions to such Plan for Executive Directors, including the details, if any, in the ARRD.

As stated in section 6.3.3 above, remuneration systems **referenced to the Company's stock quotes** or involving payment in shares or option rights over shares, may be established. The implementation of such remuneration systems must be agreed by the General Shareholders' Meeting, which shall determine the value of the shares taken as a reference, the number of shares awarded to each Director, the exercise price of the option rights, the term of this remuneration system and other conditions as deemed appropriate.

The Executive Directors shall be entitled to reimbursement of any reasonable costs (travel, accommodation, meals, mobile phone, representation or any other costs) incurred in the exercise of their services to the Company, provided they are supported by adequate evidence.

6.4 Remuneration for the performance of duties as director in other Group companies

The Executive Directors performing duties as administrator/director in other Group companies may receive from such companies the remuneration applicable to the position according to their corporate governance rules and applicable regulations, giving details thereof in the ARRD.

6.5 Remuneration Policy applicable to new Directors

The remuneration system described in section 6 of this Policy will be applied to any Director who, during the validity of this Policy, may be appointed by the General Meeting or designated by the Board of Directors by co-option or to perform executive duties.

6.6 Payment deferral

In line with good governance principles, short-term variable remuneration is paid following a reasonable period after the end of the financial year with payments being made within 60 calendar days following the formulation of the annual accounts, prior approval by the Board at the proposal of the Appointments, Remuneration and CSR Committee.

The multi-year variable remuneration (long term) is paid following a reasonable period after the end of the last financial year of the Strategic Plan, with payments being made within 60 calendar days following the formulation of the annual accounts for such year, prior approval by the Board of Directors at the proposal of the Committee.

If remuneration systems referenced to the Company's stock quotes or involving payment in shares or option rights over them are established, the Board of Directors may agree a payment deferral schedule other than as set out in this section, which will be included in the relevant ARRD which is annually submitted to consultative vote at the Shareholders' General Meeting.

6.7 Variable remuneration control mechanisms (malus and clawback clauses)

The Board of Directors, following a proposal of the Committee, if any, shall have the power to cancel (totally or partially) the payment of short- and long-term variable remuneration (malus clauses) or claw back the amount of remuneration already paid (clawback clauses) in special circumstances.

These circumstances include fraud, serious breach of law or internal regulations, sanctions, convictions due to facts attributable to the Executive Director, as well as the significant restatement of the financial statements which were used by the Board as a basis for assessment of performance level, provided that the restatement is confirmed by external auditors and is not related to an amendment of the accounting regulations.

The Board of Directors shall determine the amounts to be reduced or clawed back, following examination by the Appointments, Remuneration and CSR Committee and, where appropriate, by the Audit and Compliance Committee, considering the specific circumstances giving rise to the claim.

Malus and clawback clauses shall be applied to variable remuneration for the year in which the event giving rise to the application of these clauses occurred. Clawback clauses shall remain in force for the next THREE (3) years.

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

6.8 Exceptional regime

The Board of Directors, prior substantiated proposal of the Appointments, Remuneration and CSR Committee may apply temporary exceptions to the remuneration scheme established in this Policy, according to the following terms and conditions:

- The application of this regime of exceptions 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 of such regime.
- The Company shall 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, goals, assessment system, target amount, etc.
 - Remuneration in kind and other benefits.

7. Basic Terms and Conditions of the Executive Directors' Agreements

In 2015, the Executive Director signed an agreement with the Company which was approved by the Board of Directors in accordance with Article 249 of the Corporate Enterprises Act. The agreement provides for the duties as Chief Executive Officer and his obligations towards the Company, as well as the information on the remuneration to be paid for the performance of such duties.

In addition to the aforesaid remunerations, the essential terms and conditions of the agreement entered into by and between the Company and the Executive Director (which, in any case, must be observed as parameters with any executive director) are as follows:

Element	Description
Duration	The duration of the Agreement shall be indefinite and is subject to the exercise of the position as Chief Executive Officer of the Company.
Notice period	In case of voluntary termination by the Director, resignation must be carried out with, at least, three-months prior notice.
Exclusivity	During the term of the agreement, Directors shall not engage in any other employment, commercial or professional activity without the consent of the Company.
Non-competition	In accordance with Article 229 (f) of the Corporate Enterprises Act, the Executive Directors may not, directly or indirectly, perform activities or professional services involving an effective, current or potential competition with the Company or its Group.

	<p>Such non-compete obligation shall have a minimum post-contractual application of one year with the commitment of the Company to compensate the Directors with one annual payment of the annual total remuneration they may have as Executive Directors at the time of termination of the agreement. If the post-contractual non-compete obligation is breached, Directors must return to the Company any amounts received in this connection and compensate the Company with an amount equal to 150% of the amount received in this connection.</p>
<p>Compensation</p>	<p>Directors shall be compensated with an amount equal to one year's total annual remuneration, under the following circumstances:</p> <ul style="list-style-type: none"> • Unilateral termination by the Executive Director: Due to serious and negligent breach by the Company of its contractual obligations under the agreement or to a substantial modification of his functions, powers or service conditions for reasons not attributable to the Executive Director. • Unilateral termination by the Company: not as a result of a breach by the Director. <p>In compliance with recommendation no. 64 of the Good Governance Code of Listed Companies of the CNMV, the compensation amount shall be calculated including any payments whose accrual or payment obligation arises as a consequence or on the occasion of the termination of the contractual relationship that linked the director with the Company, including previously unconsolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.</p>
<p>Clawback & malus clauses</p>	<p>The Company may request refund or reduction (total or partial) of the variable remuneration of Executive Directors if any of the following occurs:</p> <ul style="list-style-type: none"> • It is proved that variable remuneration has been fully or partially settled and paid on the basis of clearly incorrect or inaccurate information. • In case the director has been sanctioned for breaching the Code of Ethics and/or other applicable internal regulations. • In case of sanctions or convictions for events attributable to the Executive Director. • In case of significant restatement of the annual accounts, except when this results from an amendment of the applicable regulations.

8. Approval and Implementation

This Policy and the relevant report of the Board of Directors shall be submitted to the General Shareholders' Meeting for approval, which is expected to be held on 10 June 2021, and will be applied for 2022, 2023 and 2024 years, without prejudice to any payments to be made to the Executive Directors for any deferred amounts of variable remuneration of previous years.

Any amendment or replacement of this Policy during the 2022 - 2024 three-years period, requires the prior approval of the General Shareholders' Meeting pursuant to the provisions of current legislation.

The Remuneration Policy shall be analysed and reviewed periodically by the Appointments, Remuneration and CSR Committee which shall submit to the Board of Directors any proposals for its amendment as deemed necessary according to the evolution of the Company and the market, as well as the updates required to comply at all times with the regulatory provisions and recommendations of good corporate governance.

In particular, as mentioned in the explanatory report of the Policy, once greater long-term visibility which allows to establish a long-term variable remuneration scheme is available, this will be reported in the ARR and the Company will propose the amendment, where appropriate, of this Policy to the General Shareholders' Meeting.

The Board of Directors is the body responsible for defining a control and monitoring system of the specific requirements of the Remuneration Policy to be applied to the members of the Board of Directors which ensures compliance with and effective implementation of the provisions set forth in this Policy.
