

# Master Report of the Board of Directors on the Proposals for Re-Election and Appointment of Directors of Meliá Hotels International, S.A.

Board of Directors

30 April 2021

## *Table of Contents*

1. Purpose of the Report
2. Prior Analysis
3. Justification for the Proposals as a Whole
4. Individual Proposal for the Re-Election of Mr. Gabriel Escarrer Jaume
5. Individual Proposal for the Appointment of Ms Maria Antonia Escarrer Jaume
6. Individual Proposal for the Re-Election of Mr. Fernando D'Ornellas Silva
7. Individual Proposal for the Re-Election of Mr. Francisco Javier Campo García
8. Individual Proposal for the Re-Election of Mr. Luís María Díaz de Bustamante y Terminel

**Annex I - Master Report of the Appointments, Remuneration and Corporate Social Responsibility Committee on the Proposals for Re-Election**

## 1. Purpose of the Report.

This explanatory master report is drawn up by the Board of Directors of Meliá Hotels International, S.A. (hereinafter, the “**Company**”) on the proposals for re-election and appointment of the following directors:

- Mr. Gabriel Escarrer Jaume, as Executive Director.
- The company Hoteles Mallorquines Consolidados, S.L. and its natural person representative Ms M<sup>a</sup> Antonia Escarrer Jaume, as External Proprietary Director.

Regarding the expiration of the term of office of Hoteles Mallorquines Consolidados, S.L., it is hereby informed that, according to the recent changes in legislation, in particular, the amendment of Article 529 *bis* of the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*], as mentioned in the attached report of the Committee, it is proposed to appoint Ms M<sup>a</sup> Antonia Escarrer Jaume as a natural person, instead of re-electing the company Hoteles Mallorquines Consolidados, S.L.

- Mr. Fernando D’Ornellas Silva, as External Independent Director.
- Mr. Francisco Javier Campo García, as External Independent Director, and
- Mr. Luís María Díaz de Bustamante y Terminel, as External Independent Director.

This report is submitted to the General Shareholders’ Meeting along with the report and proposal of the Appointments, Remuneration and Corporate Social Responsibility Committee (hereinafter, the “**Committee**”) pursuant to the provisions of Article 529 *decies*, sections 4, 5, 6 and 7 and Article 529 *quindecies* 3(c) and (d) of the Spanish Corporate Enterprises Act (hereinafter, the “**CEA**”), as well as Article 15.2 of the Regulations of the Board of Directors.

The Committee has duly informed the Board that the term of office of the mentioned directors expires in June 2021, hence the need to prepare this report.

According to the provisions of Article 529 *decies*, section 4 and 6 of the CEA, the aforementioned proposals for re-election are formulated as follows:

- The proposals for the re-election of the Executive Director and the appointment of the Proprietary Director are formulated directly by the Board of Directors to the General Shareholders’ Meeting, prior report of the Committee.
- The proposals for the re-election of the Independent Directors are submitted to the General Shareholders’ Meeting along with the report of the Board of Directors and at the proposal of the Committee.

In pursuit of greater documentary efficiency, the Board prepares this master report which collectively assesses skills, experience and merits of the proposed candidates, according to the provisions of Article 529 *quindecies* 3, sections (c) and (d) of the CEA, as well as to Article 15 of the Regulations of the Board of Directors, all this without prejudice to the contents of the relevant reports and individual proposals attached hereto and endorsing, in all respects and as required, the relevant reports and proposals formulated by the Committee, which are attached to this report as Annex I.

The Board, in compliance with the provisions of Article 197 *bis* of the CEA, will include each proposal for re-election or appointment as a separate item on the agenda of the General Shareholders' Meeting.

## **2. Prior Analysis.**

The Board of Directors, at its meeting held on 26 November 2020, approved the Director Selection and Diversity Policy and, according to the principles established therein and the skills, experience and training included in the Competence Matrix, the Committee and the Board of Directors itself, where appropriate, have analysed the requirements on the composition of the Board of Directors in the short and medium term in order to determine the specific director profiles the Company needs.

Among others, the following aspects have been analysed:

- ✓ Profiles and professional skills of Directors.
- ✓ Maintenance of a proper balance between the different expertise and knowledge provided by the Directors to the Company and its Group.
- ✓ Definition of the required profile and skills of the candidates.
- ✓ Potential situations of conflict, prohibition or incompatibility, according to both legislation and the Company's internal regulations.
- ✓ Time available for Directors to properly perform their duties as such.
- ✓ Absence of incompatibilities.
- ✓ Maintenance of a proper balance between the different categories of Directors ensuring the correct representation of the total interests within the Board of Directors.
- ✓ Performance and assessment of Directors during the term of their offices and their ability to continue to carry out their tasks in a satisfactory manner. In particular, in the current context, the Board and the Committee have considered the high level of involvement and commitment of the directors whose re-election will be submitted to

the next General Shareholders' Meeting in the management of the situation caused by COVID-19.

- ✓ Diversity of knowledge, expertise, age and gender within the Board, all this based on equality and impartiality criteria, avoiding any implicit bias which may involve discrimination.

In particular, the Recommendations 14 and 17 of the CNMV (Good Governance Code of Listed Companies) have been considered for the purposes of maintaining the percentage of independent directors within the Board and fostering diversity within the Board of Directors in terms of gender, so that female directors represent at least 40% of the total members by 2022.

In the development of their duties, the Directors whose re-election is proposed have demonstrated:

- Extensive knowledge and expertise in different activity sectors which are essential for the Group, including tourism, financial, retail and consumer sectors, legal and compliance field, etc., thus enhancing the analysis of the Company's needs and projects and the plurality of perspectives in the discussion of the issues to be considered by the Board of Directors.
- Professional background and performance of their duties to date.
- Their active participation in the Board's activities and, where appropriate, as members of the Committees.
- Excellent performance of their duties in terms of knowledge, commitment and ethics.
- Their commitment and engagement with the Company in the monitoring of the management carried out by the Company in response to the crisis caused by COVID-19.

As a conclusion of this analysis, the Board of Directors understands that it is advisable to maintain the current composition of the Board of Directors (as for the number, classification of directors as well as diversity within the Board), made up by members of different profiles, highly trained and with professional competences, which can create value in the short and medium term for the Company, enhancing discussions and encouraging informed decision making. Therefore, the Board and the Committee have positively assessed the profile, skills, knowledge and experience of the Directors whose re-election is submitted to the General Shareholders' Meeting, also positively assessing the continuation of the current structure of the board of

directors as for the number, classification of Directors as well as diversity of knowledge, experience, age and gender.

### **3. Justification for the Proposals as a Whole.**

As part of the preparation and acceptance process of the proposals for the re-election and appointment carried out by the Committee, the Board of Directors has considered the suitability of the candidates' professional profiles for the needs of the Company's activities and the sector in which it operates, as well as their international experience, level of performance to date and the sufficient time available to properly perform their duties.

In this sense, the Board of Directors understands that all the candidates duly combine sufficient skills and competencies, among others, in the fields below:

- (a) Knowledge of the sector in which the Company operates, as well as other sectors that create positive synergies for it;
- (b) Expertise and knowledge on the tourism sector, financial management, human resources management, risk management, marketing, big business, asset management and in the legal and compliance fields;
- (c) Proven training and experience and knowledge of the geographic markets that are relevant to the Company;
- (d) Skills and knowledge on management, leadership and business strategy.

The curriculums of the Directors whose re-election and appointment is submitted to the General Shareholders' Meeting are attached to the reports and proposals of the Committee attached hereto and prove their worth and technical expertise, their merits to continue to hold office, their extensive experience in sectors that are significant for the Company and the Group and their knowledge in different business fields, which ensure the contribution of different perspectives to the discussions at the meetings of the Board of Directors, maintaining a high percentage of independent directors and thus consolidating the high-quality education of the members of the Board of Directors as a whole.

Finally, the Committee has verified that the directors whose re-election and appointment is proposed satisfy the requirements as to good repute, suitability, technical soundness, skills, expertise, qualifications, training, availability and commitment to the functions inherent in the position, and that no incompatibility, prohibition or conflict are known to exist.

#### 4. Individual Proposal for the Re-Election of Mr. Gabriel Escarrer Jaume.

Having regard to the prior report of the Committee and according to the provisions of Article 529 *decies*, sections 4, 5 and 6 of the CEA, the Board considers that Mr. Gabriel Escarrer Jaume meets the specific requirements to continue in office as Director and, where appropriate, as Executive Vice Chairman and Chief Executive Office of the Board of Directors of the Company, according to the principles set out in the Director Selection and Diversity Policy.

**Proposed Category:** Executive Director, as defined in Article 529 *duodecies*, section 1 of the CEA.

The Board of Directors has concluded that the current proper performance of the duties assigned to him as an Executive Director, and the knowledge of the activities performed by the Company and the sector in which it operates, both at national and international level, will allow Mr. Gabriel Escarrer Jaume to continue to positively contribute and add value to the operations of the Board of Directors and, therefore, submits to the General Shareholders' Meeting the proposal below for approval:

*"[●]-Re-election of Mr. Gabriel Escarrer Jaume as an Executive Director.*

*To re-elect Mr. Gabriel Escarrer Jaume as a Director for the statutory period of four (4) years, at the proposal and prior explanatory report of the Board of Directors, issued based on the report of the Appointments, Remuneration and Corporate Social Responsibility Committee.*

*Pursuant to Article 529 duodecies of the Corporate Enterprises Act, he shall be deemed to be an Executive Director".*

#### 5. Individual Proposal for the Appointment of Ms Maria Antonia Escarrer Jaume.

Having regard to the prior report of the Committee and according to the provisions of Article 529 *decies*, sections 4, 5 and 6 of the CEA, the Board considers that Ms María Antonia Escarrer Jaume meets the specific requirements to hold office as Proprietary Director of the Company, according to the principles set out in the Director Selection and Diversity Policy.

**Proposed Category:** Proprietary Director, as defined in Article 529 *duodecies*, section 3 of the CEA.

The Board of Directors has concluded that the current proper performance of the duties that were assigned to her as a natural person representative of the Proprietary Director, and the knowledge of the activities performed by the Company and the sector in which it operates, both at national and international level, will continue to allow Ms María Antonia Escarrer Jaume to continue to positively contribute and add value to the operations of the Board of Directors and, therefore, submits to the General Shareholders' Meeting the proposal below for approval:

*“[●]- Appointment of Ms María Antonia Escarrer Jaume as a Proprietary Director.*

*To appoint Ms María Antonia Escarrer Jaume as a Director for the statutory period of four (4) years, at the proposal and prior explanatory report of the Board of Directors, issued based on the report of the Appointments, Remuneration and Corporate Social Responsibility Committee.*

*Pursuant to Article 529 duodecies of the Corporate Enterprises Act, she shall be deemed to be a Proprietary Director”.*

## **6. Individual Proposal for the Re-Election of Mr. Fernando D’Ornellas Silva.**

Having regard to the proposal of the Committee, which is endorsed where appropriate, and according to the provisions of Article 529 *decies*, sections 4 and 5 of the CEA, the Board considers that Mr. Fernando D’Ornellas Silva meets the specific requirements to continue in office as Director and, where appropriate, as Coordinating Director of the Board of Directors of the Company, according to the principles set out in the Director Selection and Diversity Policy.

Proposed Category: External Independent Director, as defined in Article 529 *duodecies*, section 4 of the CEA.

The Board of Directors, at the proposal of the Committee, has concluded that the current proper performance of the duties assigned to him as an Independent Director, and the knowledge of the activities performed by the Company and the sector in which it operates, both at national and international level, will allow Mr. Fernando D’Ornellas Silva to continue to positively contribute and add value to the operations of the Board of Directors and, therefore, submits to the General Shareholders’ Meeting the proposal for re-election below issued by the Committee for approval:

*“[●]-Re-election of Mr. Fernando D’Ornellas Silva as an External Independent Director.*

*To re-elect Mr. Fernando D’Ornellas Silva as a Director for the statutory period of four (4) years, at the proposal of the Appointments, Remuneration and Corporate Social Responsibility Committee and prior explanatory report of the Board of Directors.*

*Pursuant to Article 529 duodecies of the Corporate Enterprises Act, he shall be deemed to be an External Independent Director”.*

## 7. Individual Proposal for the Re-Election of Mr. Francisco Javier Campo García.

Having regard to the proposal of the Committee, which is endorsed where appropriate, and according to the provisions of Article 529 *decies*, sections 4 and 5 of the CEA, the Board considers that Mr. Francisco Javier Campo García meets the specific requirements to continue in office as Director, according to the principles set out in the Director Selection and Diversity Policy.

**Proposed Category:** External Independent Director, as defined in Article 529 *duodecies*, section 4 of the CEA.

The Board of Directors, at the proposal of the Committee, has concluded that the current proper performance of the duties assigned to him as an Independent Director, and the knowledge of the activities performed by the Company and the sector in which it operates, both at national and international level, will allow Mr. Francisco Javier Campo García to continue to positively contribute and add value to the operations of the Board of Directors and, therefore, submits to the General Shareholders' Meeting the proposal for re-election below issued by the Committee for approval:

*“[●]-Re-election of Mr. Francisco Javier Campo García as an External Independent Director.*

*To re-elect Mr. Francisco Javier Campo García as a Director for the statutory period of four (4) years, at the proposal of the Appointments, Remuneration and Corporate Social Responsibility Committee and prior explanatory report of the Board of Directors.*

*Pursuant to Article 529 duodecies of the Corporate Enterprises Act, he shall be deemed to be an External Independent Director”.*

## 8. Individual Proposal for the Re-Election of Mr. Luís María Díaz de Bustamante y Terminel.

Having regard to the proposal of the Committee, which is endorsed where appropriate, and according to the provisions of Article 529 *decies*, sections 4 and 5 of the CEA, the Board considers that Mr. Luís María Díaz de Bustamante y Terminel meets the specific requirements to continue in office as Director and, where appropriate, as Secretary of the Board of Directors of the Company, according to the principles set out in the Director Selection and Diversity Policy.

**Proposed Category:** External Independent Director, as defined in Article 529 *duodecies*, section 4 of the CEA.

The Board acknowledges the information provided by the Committee in relation to the termination of the status as independent director of Mr. Luis María Díaz de Bustamante y Terminal as from 30 November 2022.



The Board of Directors, at the proposal of the Committee, has concluded that the current proper performance of the duties assigned to him as an Independent Director, and the knowledge of the activities performed by the Company and the sector in which it operates will allow Mr. Lu s Mar a D az de Bustamante y Terminel to continue to positively contribute and add value to the operations of the Board of Directors and, therefore, submits to the General Shareholders' Meeting the proposal for re-election below issued by the Committee for approval:

*“[●]-Re-election of Mr. Lu s Mar a D az de Bustamante y Terminel as an External Independent Director.*

*To re-elect Mr. Lu s Mar a D az de Bustamante y Terminel as a Director for the statutory period of four (4) years, at the proposal of the Appointments, Remuneration and Corporate Social Responsibility Committee and prior explanatory report of the Board of Directors.*

*Pursuant to Article 529 duodecies of the Corporate Enterprises Act, he shall be deemed to be an External Independent Director”.*

**\*\*\***

# Master Report of the Appointments, Remuneration and Corporate Social Responsibility Committee on the Proposals for Re-election and Appointment of Directors

27 April 2021

## *Table of Contents*

1. Preamble
2. Verification of Compliance with the Director Selection and Diversity Policy
3. Individual Assessment of Each Director Whose Re-election or Appointment will be Proposed to the Board of Directors and the General Shareholders' Meeting
4. Verification of Compliance with the Requirements to be a Director of the Company
5. Conclusions

Annex I

## 1. Preamble

The duties of the Appointments, Remuneration and Corporate Social Responsibility Committee (hereinafter, the “**Committee**”) of Meliá Hotels International, S.A. (hereinafter, the “**Company**”), as governed by Article 39 *Ter* of the Company Bylaws and Article 15 of the Regulations of the Board of Directors, include, among others, the following:

“[...]

*15.2 Organisation and Responsibilities.*

[...]

“(a) *Appointment and re-election of directors:*

*To define and review the criteria to be applied with regard to the composition of the Board of Directors and the selection of candidates, and in particular, to assess the competencies, knowledge, abilities, and experience necessary in the Board of Directors to define the competences and aptitudes necessary of the candidates that must cover vacant.*

[...]

*To submit to the Board any proposals on the appointment of Independent Directors so that the Board may directly designate such Directors (co-option) or adopt the proposals for their submission to the General Shareholders’ Meeting for approval as well as their re-election or removal by the General Shareholders Meeting.*

*To report the proposals for appointment of other Directors so that the Board can directly appoint them (co-option) or take on such proposals for submission to the decision of the General Shareholders’ Meeting as well as their re-election or removal by the General Shareholders Meeting.*

[...]”

Within the framework of these powers, the Committee has reviewed the current composition of the Board of Directors and the upcoming expiration of terms of office in order to prepare the relevant proposals and/or reports to be submitted to the Board of Directors:

<b>Director</b>	<b>Category</b>	<b>Expiration</b>
Mr. Gabriel Escarrer Juliá	Proprietary Director	June 2023
<b>Mr. Gabriel Escarrer Jaume</b>	<b>Executive Director</b>	<b>June 2021</b>

Hoteles Mallorquines Agrupados, S.L. (Rep. by Mr. Jose María Vázquez-Pena)	Proprietary Director	July 2024
<b>Hoteles Mallorquines Consolidados, S.L. (Rep. by Ms Maria Antonia Escarrer Jaume)</b>	<b>Proprietary Director</b>	<b>June 2021</b>
Hoteles Mallorquines Asociados, S.L. (Rep. by Mr. Alfredo Pastor Bodmer)	Proprietary Director	June 2023
Mr. Juan Arena de la Mora	External Other Director	June 2022
<b>Mr. Fernando D’Ornellas Silva</b>	<b>Independent Director</b>	<b>June 2021</b>
Ms Carina Szpilka Lázaro	Independent Director	July 2024
<b>Mr. Francisco Javier Campo García</b>	<b>Independent Director</b>	<b>June 2021</b>
<b>Mr. Luis María Díaz de Bustamante y Terminel</b>	<b>Independent Director</b>	<b>June 2021</b>
Ms Cristina Henríquez de Luna Basagoiti	Independent Director	June 2023

According to such analysis, in June 2021, the term of office of the Directors below expires:

- **Mr. Gabriel Escarrer Jaume:** Executive Vice Chairman and Chief Executive Officer
- **Mr. Francisco Javier Campo García:** External Independent Director, member of the Appointments, Remuneration and Corporate Social Responsibility Committee and Chairman of the Audit and Compliance Committee.
- **Mr. Fernando D’Ornellas Silva:** External Independent Director, member of the Audit and Compliance Committee and Chairman of the Appointments, Remuneration and Corporate Social Responsibility Committee.

- **Mr. Luis María Díaz de Bustamante y Terminel:** External Independent Director, member of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- **Hoteles Mallorquines Consolidados, S.L.** (natural person representative: Ms María Antonia Escarrer Jaume): External Independent Director and member of the Appointments, Remuneration and Corporate Social Responsibility Committee.

Regarding the expiration of the term of office of Hoteles Mallorquines Consolidados, S.L., it is hereby informed that, according to the recent changes in legislation referred to in Art. 3.21 of Law 5/2021 of 12<sup>th</sup> April, in section 1 of Article 529 *bis* of the Spanish Corporate Enterprises Act, regarding representation of legal persons within the board of directors of listed companies, the appointment of Ms M<sup>ra</sup> Antonia Escarrer Jaume as natural person shall be assessed instead of the re-election of the legal person.

For this purpose, the Committee has analysed the appropriateness of their re-election or appointment for the submission of the relevant report or proposal to the Board of Directors, depending on the category of each Director, including in this report the results of the work performed by it for subsequent submission to the Board of Directors.

Considering that the re-election of four directors and the appointment of one director who previously represented a legal person director is hereby proposed or reported, the Committee has considered it preferable to prepare a single master report which includes the process followed in this regard.

## **2. Verification of Compliance with the Director Selection and Diversity Policy**

According to the principles set forth in the Director Selection and Diversity Policy, approved by the Board of Directors on 26 November 2020, as well as the skills, experience and training included in the Competence Matrix and for the purposes of duly informing and advising the Board of Directors in the analysis of the Company's needs and the appropriateness of re-electing the mentioned five (5) directors, the Committee has considered, inter alia, the following aspects:

- Profiles and professional skills of Directors.
- Maintenance of a proper balance between the different expertise and knowledge provided by the Directors to the Company and its Group.
- Definition of the required profile and skills of the candidates.
- Potential situations of conflict, prohibition or incompatibility, according to both legislation and the Company's internal regulations.
- Time available for Directors to properly perform their duties as such.

- Absence of incompatibilities.
- Maintenance of a proper balance between the different categories of Directors ensuring the correct representation of the total interests within the Board of Directors.
- Performance and assessment of Directors during the term of their offices and their ability to continue to carry out their tasks in a satisfactory manner.
- Diversity of gender, age and seniority within the Board, all this based on equality and impartiality criteria, avoiding any implicit bias which may involve discrimination.

The Committee has also considered the current social and economic context, in particular, after the crisis caused by COVID-19 and, specially, the impact on the Company's activities. In this sense, the Committee considers that it is necessary to give continuity to the management and monitoring tasks carried out by the Directors from the start of the pandemic, because their involvement and commitment were key to ensure the effectiveness of the measures adopted by the Chief Executive Officer and the Group's Management Team.

Likewise, the Committee has considered the changes in legislation established in Law 5/2021, of 12 April 2021 on the provisions of the Spanish Corporate Enterprises Act and other financial regulations, regarding the promotion of long-term commitment of shareholders in listed companies, and the impact on the processes for the selection and re-election of Directors. In particular, the Committee considers the direct impact of the new wording of Article 529 *bis* CEA, on the requirement regarding the composition of the boards of directors of listed companies, since it provides that these must be composed exclusively of natural persons.

In that sense, the implementation of the changes in legislation established in Art. 3.21 of Law 5/2021, of 12 April 2021, in section 1 of Article 529 *bis* of the Spanish Corporate Enterprises Act, makes it impossible to prepare the report for re-election of Hoteles Mallorquines Consolidados, S.L as an External Proprietary Director, and instead, the appointment of Ms María Antonia Escarrer Jaume as natural person is proposed.

In general, the Committee has considered, inter alia, the activities carried out by the Company, the countries in which these activities are carried out, the ordinary management needs of a multinational company, its commitments to the social sphere, the best practices in Corporate Governance and the general principles of the Company. In addition to the above aspects, the Committee has also considered the new recommendations of the Good Governance Code of Listed Companies of the CNMV in terms of composition of the Board of Directors and its Delegated Committees.

In relation to the recommendations of the Good Governance Code of Listed Companies, the recommendations concerning the percentages of proprietary and independent directors have been considered, in particular: “That the percentage of proprietary directors divided by the number of non-executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.”

In this sense, the Board of Directors, with a total of ELEVEN (11) members, shall continue to consist of SIX (6) external independent directors, FOUR (4) external proprietary directors and ONE (1) executive director. In other words, with the proposals for re-election the proportion of external proprietary directors and external independent directors (36% vs 54%) would be maintained and, although it complies with the right of proportional representation of significant shareholders, it maintains a relatively low percentage of proprietary directors compared to the percentage of independent directors.

Finally, the Committee has used the data of the Spencer Stuart Index of Board of Directors (2020) as a reference in relation to the average size of Boards of Directors (11 members), percentage of independent directors over the total number of directors (46%), as well as the average seniority of the members (6.5 years).

No external advisors have participated in the preparation of this report.

### **3. Individual Assessment of each Director whose Re-election will be Proposed to the Board of Directors and the General Shareholders' Meeting**

#### **(a) In relation to the re-election of Mr. Gabriel Escarrer Jaume as an Executive Director:**

After analysing the profile of Mr. Gabriel Escarrer Jaume, as well as his career in the Company, the Committee very favourably assesses:

- a. His extensive knowledge and experience in the tourism sector, as well as his proven experience in financial management and leadership.
- b. Excellent development and performance of his duties as Director, Executive Vice Chairman and Chief Executive Officer of the Company.
- c. Professional experience acquired in the performance of his duties and his international experience.
- d. Active participation in the day-to-day management of the Company.
- e. Knowledge of the historical development of the Company and its Group.
- f. Excellent reporting to the Board of Directors and his active involvement in the Board's operations.

- g. Excellent performance of his duties in terms of knowledge, commitment and ethics.
- h. His contributions and management of the crisis caused by COVID-19 and the knowledge acquired in the management and monitoring in this field during 2020.
- i. His good repute, suitability, technical soundness, skills, expertise, qualifications, availability and commitment to the functions inherent in his position.

In particular, the Committee has considered the leadership of Mr. Gabriel Escarrer in the management of the Company during the situation caused by COVID-19 and his commitment, dedication and loyalty to the Company, with particular attention to his generosity with respect to voluntary waivers and reductions in remuneration.

The Committee has also considered the results of the last performance assessments of the Top Executive carried out by the Board of Directors, in which the management carried out by Mr. Gabriel Escarrer Jaume has been assessed very positively, in particular, in the last year.

Mr. Gabriel Escarrer Jaume was appointed for the first time as director by co-option on 29 September 1997, ratified in his position by the General Shareholders' Meeting on 8 June 1998 and re-elected on 29 April 2002, 5 June 2007, 13 June 2012 and on 8 June 2017, when his last appointment to date took place.

**(b) In relation to the proposal for appointment of Ms Maria Antonia Escarrer Jaume as an External Proprietary Director:**

The Committee has confirmed that the shareholder Hoteles Mallorquines Consolidados, S.L., in its capacity as significant shareholder (holder of 24.365% of the share capital of Meliá), still has the right to propose the appointment of a representative in the Board of Directors of Meliá, since the Board's current composition of eleven (11) members will be maintained.

In particular, after analysing the profile of Ms María Antonia Escarrer Jaume, as well as her career in the Company, the Committee very favourably assesses:

- a. Her extensive knowledge and experience in the tourism sector, as well as her proven experience in the management of human resources, corporate social responsibility, marketing and sustainability.
- b. Knowledge of the historical development of the Company and its Group.
- c. Excellent performance of her duties as Proprietary Director.
- d. Active involvement in the Board's operations and as Member of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- e. Excellent performance of her duties in terms of knowledge, commitment and ethics.



- f. Her contributions and management of the crisis caused by COVID-19 and the knowledge acquired in the management and monitoring in this field during 2020.
- g. Her good reputation, suitability, technical soundness, skills, expertise, qualifications, availability and commitment to the functions inherent in her position.

Ms M<sup>a</sup> Antonia Escarrer Jaume was originally appointed as natural person representative of Hoteles Mallorquines Consolidados, S.L (formerly Hoteles Mallorquines Consolidados, S.A.) by co-option for the first time on 20 November 2000, ratified in her position by the General Shareholders' Meeting on 28 May 2001 and re-elected on 6 June 2006, 13 June 2012 and on 8 June 2017, when her last appointment to date took place.

### **(c) In relation to the proposal for re-election of Mr. Fernando D'Ornellas Silva as an External Independent Director**

After analysing the profile of Mr. Fernando D'Ornellas Silva, as well as his career in the Company, the Committee very favourably assesses:

- a. His extensive knowledge and experience in different sectors (automotive sector, energies, etc.), in particular, his experience in financial, risk and asset management is assessed very positively.
- b. Professional experience acquired in the performance of his different duties in several companies and his international experience.
- c. Excellent performance of his duties as External Independent Director, as Chairman of both the Appointments, Remuneration and Corporate Social Responsibility Committee and the Audit and Compliance Committee (until February 2020).
- d. His ability to offer continuity and stability to his functions as Chairman of the Appointments, Remuneration and Corporate Social Responsibility Committee following his appointment on 26 February 2020 is highly appreciated.
- e. Compliance with Recommendation 52 of the Good Governance Code and, in particular, the fact that the Committees are composed exclusively of non-executive directors, with a majority of independent directors and that their chairmen are independent directors.
- f. His performance as Coordinating Director, his relevant role as link between the Company and the other directors and his excellent work as a conduit of information requests.
- g. His high level of attendance at the meetings of the Board, the Audit and Compliance Committee and the Appointments, Remuneration and Corporate Social Responsibility

Committee, and his active and enriching participation in the operations, discussions and assessments taking place therein.

- h. His contributions and cooperation in the management of the crisis caused by COVID-19 and the knowledge acquired in the management and monitoring in this field during 2020.
- i. His good repute, suitability, technical soundness, skills, expertise, qualifications, availability and commitment to the functions inherent in his position.

Mr. Fernando d'Ornellas Silva was appointed for the first time as director of the company on 13 June 2012 and re-elected on 8 June 2017, when his last appointment to date took place.

#### **(d) In relation to the proposal for re-election of Mr. Francisco Javier Campo García as an External Independent Director**

After analysing the profile of Mr. Francisco Javier Campo García, as well as his career in the Company, the Committee very favourably assesses:

- a. His extensive knowledge and experience in different sectors which are essential for the Group, in particular, his experience in the financial and banking sector, risk and human resources, marketing and big business, is assessed very positively.
- b. Professional experience acquired in the performance of different duties in several companies and his international experience.
- c. Excellent performance of his duties as External Independent Director and as Chairman of the Audit and Compliance Committee (current position) and of the Appointments, Remuneration and Corporate Social Responsibility Committee (until February 2020).
- d. His ability to offer continuity and stability to his functions as Chairman of the Audit and Compliance Committee following his appointment on 26 February 2020 is highly appreciated.
- e. Compliance with Recommendation 52 of the Good Governance Code and, in particular, the fact that the Committees are composed exclusively of non-executive directors, with a majority of independent directors and that their chairmen are independent directors.
- f. His high level of attendance at the meetings of the Board, the Audit and Compliance Committee and the Appointments, Remuneration and Corporate Social Responsibility Committee, and his active and enriching participation in the operations, discussions and assessments taking place therein.
- g. His contributions and cooperation in the management of the crisis caused by COVID-19 and the knowledge acquired in the management and monitoring in this field during 2020.

- h. His good repute, suitability, technical soundness, skills, expertise, qualifications, availability and commitment to the functions inherent in his position.

Mr. Francisco Javier Campo García was appointed for the first time as director on 13 June 2012 and re-elected on 8 June 2017, when his last appointment to date took place.

**(e) In relation to the proposal for re-election of Mr. Luis María Díaz de Bustamante y Terminel as an External Independent Director**

After analysing the profile of Mr. Luís María Díaz de Bustamante y Terminel, as well as his career in the Company, the Committee very favourably assesses:

- a. His experience in the legal and compliance field.
- b. The candidate's professional experience acquired, the performance of his duties as Secretary of the Board, and his international experience.
- c. Excellent performance of his duties as Independent Director and as Secretary of the Board and member of the Appointments, Remuneration and Corporate Social Responsibility Committee.
- d. His high level of attendance at the meetings of the Board and of the Appointments, Remuneration and Corporate Social Responsibility and his active and enriching participation in the operations, discussions and assessments taking place therein.
- e. His contributions and cooperation in the management of the crisis caused by COVID-19 and the knowledge acquired in the management and monitoring in this field during 2020.
- f. His good repute, suitability, technical soundness, skills, expertise, qualifications, availability and commitment to the functions inherent in his position.

Mr. Luis María Díaz de Bustamante y Terminel was appointed for the first time as Director of the Company by co-option on 30 September 2010, ratified in his position by the General Shareholders' Meeting on 1 June 2011, re-elected on 13 June 2012; and on 8 June 2017 his last appointment to date took place.

According to the above and according to the provisions of Article 529 *duodecies*, section 4, on 30 November 2022, Mr. Luis María Díaz de Bustamante y Terminel would no longer be considered as an Independent Director.

#### **4. Verification of Compliance with the Requirements to be a Director of the Company**

The Committee has verified that all the candidates for re-election continue to comply with the general requirements expected from every director of the Company, according to the provisions of the applicable regulations, including the Regulations of the Board.

In particular, the Committee has verified that the behaviour and professional career of the candidates for re-election are fully aligned with the Company's principles and that they are not affected by circumstances of incompatibility, potential situations of conflict, prohibition or impediment for the exercise of the position.

Considering that four re-elections and one appointment are proposed and in accordance with the Director Selection and Diversity Policy, the Committee considers that orientation plans are not necessary, without prejudice to the Board's training programme to be applied as appropriate.

#### **5. Conclusions**

As a result of the foregoing, the Committee has concluded as follows:

**(a) To favourably report to the Board of Directors on the re-election of Mr. Gabriel Escarrer Jaume as an Executive Director of the Company, for the corresponding proposal by the Board to the General Shareholders' Meeting.**

**(b) To favourably report to the Board of Directors on the appointment of Ms María Antonia Escarrer Jaume as an External Proprietary Director of the Company, at the proposal of HOTELES MALLORQUINES CONSOLIDADOS, S.L., for the corresponding proposal by the Board to the General Shareholders' Meeting.**

**(c) To favourably report to the Board of Directors on the re-election of Mr. Fernando D'Ornellas Silva as an External Independent Director of the Company, for the corresponding proposal by the Board to the General Shareholders' Meeting.**

**(d) To favourably report to the Board of Directors on the re-election of Mr. Francisco Javier Campo García as an External Independent Director of the Company, for the corresponding proposal by the Board to the General Shareholders' Meeting.**

(e) To favourably report to the Board of Directors on the re-election of Mr. Lu s Mar a D az de Bustamante y Terminel as an External Independent Director of the Company, for the corresponding proposal by the Board to the General Shareholders' Meeting.

(f) To favourably report to the Board of Directors on the maintenance of the current number of Directors, i.e., ELEVEN (11) members, for the corresponding proposal to the General Shareholders' Meeting.

\*\*\*

## **ANNEX TO THE MASTER REPORT OF THE APPOINTMENTS, REMUNERATION AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF MELIÁ HOTELS INTERNATIONAL, S.A.**

Palma, on 27 April 2021

### **Professional and biographical profile of Mr. Gabriel Escarrer Jaume.**

Gabriel Escarrer represents the second generation of the founding family of what is today Meliá Hotels International, a multinational company with presence in more than 40 countries and part of the Ibex 35 index, with more than 390 hotels in 4 continents.

After graduating from Wharton School, Gabriel Escarrer Jaume worked at the investment bank Salomon Brothers in New York, from which he took part in the successful IPO of Meliá Hotels International, a company founded by his father, Gabriel Escarrer Juliá, in 1956.

Escarrer combines a strong vision and a financing approach, with a purely hotelier vocation, and after he joined the company, he led a strong advance in the Company's expansion, providing Meliá with greater financial strength in an increasingly complex environment in the international tourism sector, as well as a strong competitive position.

Since he was appointed Vice Chairman and Chief Executive Officer of the Group in 2009, Escarrer also fostered an unprecedented cultural and organisational transformation, with a clear focus on corporate responsibility. In 2016, after the Founder's renunciation of his executive powers, he became the top executive, leading since then an intense process of digital and cultural transformation, which has positioned the company at the leading edge of digitalization and which, together with the financial consolidation process and the evolution of the business model, has allowed Meliá Hotels International to be better prepared to face the major disruption caused by the COVID-19 pandemic in the whole tourism industry since the beginning of 2020.

He is considered one of the 10 best business managers in Spain and one of the most influential Chief Executive Officers in Spain, according to Forbes magazine. In 2019, he was appointed Chairman of Exceltur, the Spanish Alliance for Excellency in Tourism, assuming a strong leadership in heading the sector most affected by the pandemic. A staunch defender of the values underpinning the family business, under his management, Meliá Hotels International was recognised in 2019 as the most sustainable hotel chain in the world according to the Corporate Sustainability Assessment carried out by the sustainable investment agency SAM, and the seventh company with more sustainable management at an international level, according to the Wall Street Journal.

### **Professional and biographical profile of Ms Maria Antonia Escarrer Jaume.**

Ms María Antonia Escarrer studied in prestigious schools such as ESASDE, EADA and Cornell University, where she completed studies related mainly to Marketing and Human Resources. She specialised in the development of leadership and managerial competencies, promoting programmes of Management Development, Leadership, Marketing and Negotiation. Trained by the IE Business School as an executive coach and as an ontological Senior Coach by Newfield Consulting, she is ACC accredited by ICF (International Coaching Federation).

Maria Antonia Escarrer held various positions at Meliá, innovating policies and business processes. From 1991 to 1994 she joined the General Directorate of Marketing, period in which she implemented the Communication, Loyalty and Market Research policy, as well as the introduction of Marketing plans into the business units.

From 1996 to April 2000 she held the position of General Manager of Human Resources, introducing the performance and competency-based management as well as the definition, implementation and development of different aspects of the Company's remuneration policies. She participated in the design of training and career plans and the implementation and coordination of all aspects related to the organisational structure.

Between 2005 and 2011, she was responsible for the General Directorate of Sustainability, developing the social action department towards a General Directorate of Sustainability and making sustainability as a strategic line of action within the Company. Since October 2000, she is member of the Board of Directors of Meliá Hotels International and the Appointments and Remuneration Committee.

She is also an expert in Transpersonal Mindfulness by the Escuela Transpersonal.

Currently and since 2012, she works as coach at an executive and personal level specialised in accompanying professionals in times of career change as well as in the development of managerial skills.

### **Professional and biographical profile of Mr. Fernando D'Ornellas Silva.**

Degree in Law and Economics from ICADE-E and MBA from IESE in Barcelona (International Section), from 1983 to 1985 he worked as Deputy Financial Director at Johnson & Johnson Spain. He has also held several positions within the Bergé Group since 1985, Chief Financial Officer of Toyota Spain until 1992, Chief Executive Officer of Chrysler Spain from 1992 to 2004, Chairman of Chrysler Portugal from 1997 to 2012, Chairman of Chrysler Colombia from 2010 to 2012, Chairman of KIA for Argentina, Peru and Portugal from 2004 to 2012, Chairman of Mitsubishi Motor Peru from 2010 to 2012, Vice-Chairman of Mitsubishi Motors Chile from 2001 to 2012, Vice-Chairman of SKBergé Latin America from 2001 to 2012, Chairman of Bergé Automoción from 2004 to 2012 and Chief Executive Officer of Bergé Group from 2007 to 2012.

Since 2004 he has held, among others, the following positions: member of the Board of Directors, Chairman of the Remuneration Committee between 2007 and 2009, and Chairman of the Audit Committee in 2009 of ENDESA S.A. Member of the Board of Directors and Chairman of the Audit Committee between 2007 and 2009 and Director in charge of supervising the activities of subsidiaries in Peru, Colombia, Argentina and Brazil for ENDESA CHILE. Member of the Board of Directors (2013-2015) and Chairman of the Audit Committee (2014-2015) of DINAMIA. Vice Chairman of the Asociación de Nacional de Importadores de Automóviles, Camiones, Autobuses y Motocicletas from 2004 to 2012. Founding member of the Fundación España-Chile and Fundación España-Perú in 2011 and 2012. Member of the Fundación Consejo España-China y España-Japón, Adviser for Mitsubishi Corporation in the acquisition of shares in Acciona Termosolar, S.A. in 2010 and 2011, and Vice Chairman of the Real Club de la Puerta de Hierro between 2006 and 2010. He was member of the Advisory Board of WILLIS IBERIA from March 2013 to December 2017 and member of the Board of Directors of GPIAC (GP Investments Acquisition Corp.) from June 2015 to October 2017.

Currently, he is member of the Board of Directors since June 2012, Coordinating Director, Chairman of the Audit and Compliance Committee and Chairman of the Appointments, Remuneration and Corporate Social Responsibility Committee of Meliá Hotels International S.A; he is member of the Board of Directors of Prosegur since April 2016, Chairman of the Audit and Compliance Committee (since April 2017) and Member of the Appointments and Remuneration Committee. Senior Advisor Spain and LATAM for MITSUBISHI CORPORATION since March 2013; Senior Advisor Spain and Latam for Lazard Asesores Financieros S.A. since June 2013 and member of the Board of Directors of FERTIBERIA, since March 2020. He is also member of the International Advisory Board of Hispanic Society of America and his representative in Spain; Member of the Advisory Board of the Real Club de la Puerta de Hierro since 2010, Vice Chairman



of the International Board of the Teatro Real in Madrid since 2015; Member of the Executive Committee at the Fundación España-Estados Unidos since 2016 and Member of the Fundación Consejo España-Japón since 2017.

### **Professional and biographical profile of Mr. Francisco Javier Campo García.**

Industrial Engineer from the Universidad Politécnica de Madrid, he began his career in 1980 at Arthur Andersen.

In 1985 he joined Día, where for 24 years he held the position of World Chairman of the Dia International Group and he was also a member of the Carrefour Group's Global Executive Committee for 15 years.

From 2009 to 2014, he was Chairman of the Zena group, the leading multi-brand restaurant chain company in Spain. The group comprises five brands: Foster's Hollywood, La Vaca Argentina, Cañas y Tapas, Domino's Pizza and Burger King.

He has also been Chairman of the Cortefiel Group (Cortefiel, Springfield, WomenSecret) from 2014 to 2016 and member of the Board of Directors of Bankia, Chairman of the Audit and Compliance Committee, member of the Appointments and Responsible Management Committee and member of the Technology and Innovation Committee of the bank between 2012 and 2021. He is currently Chairman of AECOC (Association of Large Consumption Companies) which represents more than 20% of the Spanish GDP and has more than 30,000 associated companies.

He is member of the Board of Directors of Caixabank, member of the Appointments Committee and member of the Audit and Control Committee of such entity, Member of Board of Directors of Meliá Hotels International, and Chairman of its Audit and Compliance Committee and member of the Appointments, Remuneration and CSR Committee; Member of the Advisory Board of the Palacios Food Group, member of the Advisory Board of AT Kearney and member of the Advisory Board of Pastas Gallo.

He is also member of the Board of Trustees of Fundación ITER, member of merit of Fundación Carlos III, board member of the Fundación Bankia and board member of A.P.D. (Association for the Progress of Management).

## **Professional and biographical profile of Mr. Luís María Díaz de Bustamante y Terminel.**

Born in Torrelavega (Cantabria, Spain) on 25 August 1952.

Graduated in Law from the Universidad Complutense de Madrid. Practising lawyer since 1975.

Partner of the law firm Isidro D. Bustamante (1942-1980/2018). His professional career has been mainly focused on the areas and practice of civil, trade and civil procedural and international law, as well as on consultancy services for entrepreneurs and corporations.