

POLICY ON PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

1. Introduction

This Policy reflects Minor Hotel Europe & Americas' commitment to the prevention of money laundering and terrorist financing with the aim of detecting and preventing the use of Minor Hotel Europe & Americas, S.A. (hereinafter "MHEA" or the "Company") and its companies in money laundering or terrorist financing operations.

For the purposes of this Policy, **money laundering** is defined as:

- a) The conversion or transfer of property, knowing that such property is **derived from criminal activity or participation in such criminal activity**, for the purpose of **concealing or disguising the illicit origin** of the property or of **assisting** persons involved to **evade the legal consequences** of their acts.
- b) **The concealment or disguise of the true nature, source, location, disposition, movement or ownership of property or rights** on property, knowing that such property is **derived from criminal activity** or from **participation** in criminal activity.
- c) **The acquisition, possession or use of property**, knowing, at the time of receipt, that such property was **derived from criminal activity** or from **participation** in criminal activity.
- d) **Participation** in any of the activities referred to above, association to **commit such actions**, attempts to commit them and **aiding, abetting, facilitating or counselling** someone to commit such actions or **facilitate the commission of such actions**.

For the purposes of this Policy, **terrorist financing** is defined as:

The provision, placing, distribution or collection of **funds or property**, by any means, directly or indirectly, with the **intention of using them** or in the knowledge that they will be used, in full or in part, **to commit any of the criminal offences of terrorism** listed in the criminal code.

All the above is notwithstanding the provisions contained in the legislation of each country which will also be applicable.

2. Purpose

The main purpose of this Policy is to establish general guidelines that will help in the prevention and early detection of situations that could involve a risk to Minor Hotel Europe & Americas and its companies in relation to the prevention of money laundering and terrorist financing, in addition to its willingness to collaborate with the competent authorities on this matter.

The prevention and detection of situations is the responsibility of all the individuals, regardless of their position and job, who work at workplaces operating under the Minor Hotel Europe & Americas brands.

MHEA provides all the team members of workplaces with the whistleblowing and queries channel <https://report.whistleb.com/en/portal/nh-hotels> to guarantee compliance with this Policy and raise any questions in relation to it.

Notwithstanding what is established in this Policy, the applicable legislation in each country on the prevention of money laundering and terrorist financing will be applicable.

3. Area of application

All personnel who work at Minor Hotel Europe & Americas and its companies are subject to compliance with this Policy and the applicable local legislation.

As personnel working at Minor Hotel Europe & Americas this document refers to the following persons:

1. **Team members of workplaces that operate under the Minor Hotel Europe & Americas brands**, regardless of the type of contract that determines the employment relationship, the position held or geographical area where they work.
2. **Students on work experience/trainees.**
3. **Executives of Minor Hotel Europe & Americas**, regardless of the type of contract that determine their business relationship, the position held or the geographical area where they work. The following are in any case to be considered executives:
 - a. Members of Senior Management and Executive Committees. All executives in charge of departments and department heads.
 - b. Members of the Board of Directors of Minor Hotel Europe & Americas, S.A. and of its subsidiaries.

4. Scope

This Policy extends mainly to:

1. **Limiting cash payments received**

Respect the maximum limits for cash payments established in local legislation and in the systems for operations in the Company. A list of countries where MHEA is present and the cash limit established in each applicable local legislation is available and can be consulted in Appendix 1 and in the [Check Out and Billing Procedure](#).

2. Identifying partners

In accordance with the Expansion Opportunities and Projects Procedure, in the event of joint venture, the Expansion Department will be responsible for carrying out due diligence measures according to the process and checklist established in the Expansion Opportunities and Projects Procedure.

NH will refrain from establishing alliances with partners that are known to be or suspected with reasonable grounds of being related to money laundering and/or terrorist financing.

3. Identifying the beneficial owner in real estate transactions

In sale and purchase transactions related to the real estate of MHEA (not formalized in a first phase through a public deed), MHEA must identify internally the counterparty through the following due diligence measures:

- **powers of representation**
- **a valid identity document**
- **identification of the beneficial owner by deed of beneficiary owner formalized before a Notary Public**
- **source and destination of the funds**

The **beneficial owner** is deemed to be:

- The natural person who ultimately controls directly or indirectly a stake of more than 25% in the capital or voting rights of a legal person. For the purposes of determining control, the criteria established in article 42 of the Spanish Code of Commerce will be applicable for Spanish companies (notwithstanding any criteria that may be applicable to foreign companies according to their ruling legislation).

A template has been established as Annex 2 of this policy for the purpose of carrying out this due diligence measure and gathering the corresponding information.

5. Main obligations

- **To respect the applicable legislation in each country on the prevention of money laundering and terrorist financing.**
- **To respect the maximum limits for cash payments** for resident and non-residents that are applicable in local legislation and loaded on the TMS systems.
- **Acceptance of cash payments should i) respect the limit for each country and ii) allow only one cash payment for the total amount of the service (even if the rest of the amount of the service provided is deferred).**
- **Cash payment on each of the deferred payments/instalments for the same contract or same service provisions is not permitted. Such deferred payments or instalments must be paid by credit card or bank transfer.**
- **To not allow payment by cash in instalments** to circumvent the maximum permitted threshold in each country,

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which may be consulted in the Check Out and Billing Procedure.

- In the case of **reimbursement** of amounts received previously from the customer, the reimbursement will be carried out using the **same payment method** as the amount initially received:
 - Bank transfer: a transfer will be ordered to exactly the same account from which payment was made.
 - Credit card: the amount will be credited to the same card number.
 - Cash payments: reimbursement will be through this method provided that the amount involved **does not exceed 300 €**. If the amount in question is higher, a bank transfer will be ordered to the account indicated by the holder, who must have provided proof of being the accountholder of the designated account, or the holder's credit card will be credited.
- As part of the supplier registration process, suppliers will be asked to provide a certificate, issued by the bank in accordance with the existing procedure, stating that they are holders of the bank account.
- For any monetary flow resulting from a transaction with third parties or partners related to real estate that is not formalized through a public deed, the counterparty must be identified internally.
 - The Legal Department will request and keep documentation consisting of:
 - powers of representation
 - a valid identity document
 - a notarial deed identifying the beneficial owner.
 - Through the bank, the source and destination of funds will be controlled, and the financial department will keep the information sent by the bank.
- The whistleblowing channel <https://report.whistleb.com/en/portal/nh-hotels> may be used to report any **activities that may be contrary to this Policy**. By way of example, **IT IS NOT PERMITTED:**
 - To accept proposals to pay in cash amounts that exceed the limits for the country on the total amount of the service, (although deferred payments/instalments may be agreed, cash payments for such amount are not acceptable if they refer to the same service provision).
 - To allow payment of instalments for the purpose of circumventing the maximum permitted threshold for cash payments.
 - To accept cash payments that are unusual in light of the nature of the operation.
 - To accept payment by checks made out to the bearer or other instruments that do not state the beneficiary's name.
 - To accept payments made in currencies other than those previously agreed.

- To accept payment by international transfer when the identity of the payer or bank account from which the transfer originates is not indicated.
- To accept payments in which the payer or beneficiary is a third party not mentioned in the corresponding contracts.
- To accept payments made in accounts that are not the accounts habitually used in relations with a given entity, company or person.
- To accept payments originating from high risk jurisdictions, such as tax havens non-cooperative countries in the fight against money laundering and terrorist financing; jurisdictions with no or little regulation; or States where particular active criminal organizations (for example, drug trafficking, organized crime, human trafficking, support to terrorism, etc.) are known to exist.
- To accept transactions when there is a refusal or reluctance to provide the necessary information and documentation to know the validity of bank accounts (for example, certificate of holders of bank accounts).
- To accept transactions knowing that they use false or incorrect identity data.
- To accept transactions with parties with nationality or residence in tax havens or high risk territories, which are deemed to be those that form part of any of the lists published for that purpose by the authorities or other international bodies.
- To accept transactions in which the address, contact telephone number, PO box, or e-mail address provided by a customer/supplier is the same as that of another apparently unrelated customer/supplier.
- To accept transactions with potential partners/customers/suppliers when there is a record of their relationship with criminal activities or terrorist groups, or when they have been convicted for criminal offences or are related to persons in either of the preceding situations.

The above prohibitions shall not be applicable when payments and/or transactions derives from the ordinary course of business and/or from the Minor Hotel Europe & Americas' own activity and it must be accredited by documentary evidence.

- Each workplace operating under Minor Hotel Europe & Americas brands has the obligation to keep a record of all monetary inflows and outflows that take place as well as to check cash every day.
 - In the case of operational centers, the manager is the person responsible for ensuring that these records are kept.
 - In the case of Central Services, the head of the Cash area is the team member responsible for doing so.
- The workplaces must file supporting documentation of movements and records of ownership for the term required by legislation.

6. Doubts and queries

If they have any doubts, the recipients of this policy can submit their queries through the section "doubts & queries" of the NH whistleblowing channel: <https://report.whistleb.com/en/portal/nh-hotels>

7. Update and revisión of the Policy

This Policy will be reviewed on a regular basis to keep it updated with regard to the business operations and to assure effective implementation of the controls concerning the prevention of money laundering and terrorist financing by Company

8. Change History

Version	Approved by	Type of document	Date
1	Compliance Committee	Policy	12.19.2018
2	Audit and Control Committee		05.10.2019
	Board of Directors		05.13.2019
3	Compliance Committee	Amendement of the Polic and update the Annex	11.14.2021
	Audit and Control Committee		11.10.2021
	Board of Directors		11.11.2021
4	Compliance Office	Update the thresholds of the Annex 1 and update the references to the internal whistleblowing channel (it does not imply any modification).	09.25.2023
5	Compliance Office	Update the thresholds of the Annex 1 and update the references to new corporate name (it does not imply any modification).	28.02.2025

Restriction of cash payment per country Minor Hotels Europe & Americas

Countries	Limit
Spain	€ 1.000 resident/€ 10.000 resident abroad
Italy	€ 5.000 resident/€ 15.000 resident abroad
Ireland	No limit
Belgium	€ 3.000
Luxemburgo	No limit CDD must be applied on payments over € 15.000
Portugal	1.000 € companies 2.999,99 € natural person
France	€ 1.000 resident / € 10.000 resident abroad (*)
Romania	RON 10.000 por person/day
Poland	Limit of 15.000 PLN for payments between business people/companies.
Czech Republic	CZK 270 000
Slovakia	€ 5.000 in commercial transactions € 15.000 in transactions between private individuals
Netherlands	No limit Payments over € 15.000 must be reported to the relevant Authority
Denmark	No limit
Hungary	No limit Limit of 1.500.000 HUF for legal entities, unincorporated business associations and VAT-registered private individuals
United Kingdom	No limit Limit of € 10.000 for payments in relation to goods
Germany	No limit CDD must be applied on cash payments over € 10.000
Austria	No limit
Switzerland	No limit Dealers that trade with goods (**), must apply CDD on operations exceeding CHF 100,000
Mexico	No limit for payment for accommodation services. Limits for other transactions (***) ..
Uruguay	UI 1.000.000
Cuba	No limit for payment for accommodation services. (****)
Haiti	No limit (****)
Panama	BP 10.000
Brazil	No limit Payments over 30.000 reals must be reported to the Federal Treasury of Brazil
Colombia	No limit (*****)
Ecuador	No limit
Chile	No limit
USA	No limit
Perú	S/2000 (soles) or USD 500

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(*) **France:** The limit for residents abroad is €~ 15.000 in case of the payment it's made to an obliged entity from the AML/CFT perspective.

(**) **Switzerland:** A dealer is understood to be any natural or legal person that trades professionally with goods and receive payments in cash in the ordinary course of its business.

(***) **Mexico:** Activities subject to limitations, included in the Federal Act for the prevention and identification of operations using funds from illicit sources:

- Establishment or transfer of rights in rem on real estate (MXP 2.240,383 (€ 95.000 approx).
- Transfers of property, establishment of rights in rem, provision of property shielding or lease services, and
- new or used air, maritime or land vehicles (MXP 2.240,383 (€ 95.000 approx).
- Sale by batch or item of watches, jewelry, precious metals, precious stones, and works of art (MXP 225.335 (€ 9.500 approx)
- Acquisition of tickets to participate in competitions, draws or betting games, as well as the payment of prizes in relation thereto (MXP 45.481 (€ 1.900 approx.)
- Transfer of ownership or establishment of any right on shares in legal entities (MXP 2.240,383 (€ 95.000 approx).
- Issuance and commercialization of service cards, credit and prepaid cards not issued by banks~ (MXP 90.329 (€ 3.800 approx.)

(****) **Cuba:** In cash transactions with banks over PC 240.000 (€ 8,500 approx.) the customer will be required to make a declaration on the origin and destination of the funds / € 25.900 approx. for individuals residing abroad.

(*****) **Haiti.** For payments over US 10.000 the hotel must fill in a document regarding the origin of funds.

(*****) **Colombia.** For the purpose of tax deductions, payments of natural and legal persons that receive income other than earned income must be made through financial institutions for payments over 100 UVT; if payments over 100 UVT are to be made, they must be cleared through financial channels, but below this figure payments can be made in cash.

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COMPANIES IDENTIFICATION FORM

For the purposes of the provisions contained in the regulation on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, the undersigned hereby declares the following

I) IDENTIFICATION OF THE UNDERSIGNED

Name and Surname		
NIF (Tax Code)/Foreign Resident's ID number (NIE)		
Acting as	<input type="checkbox"/> Director <input type="checkbox"/> Trustee <input type="checkbox"/> Other (specify)	

(*) Please provide a copy of the ID and a copy of the deed of power of attorney of the person signing on behalf of the company.

II) TYPE OF TRANSACTION SUBJECT OF THIS DECLARATION AND PURPOSE

Type of Transaction	
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Main purpose of the transaction: <input type="checkbox"/> Investment..... <input type="checkbox"/> Other (specify)
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III) IDENTIFICATION OF THE COMPANY

NIF (Tax Code)/Foreign Resident's ID number (NIE)		Company name	
Registered Address			
City/Town		Postcode	
Country		Country of residence for tax purposes (if different)	
Type of business activity			

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IV) SOURCE OF FUNDS

I declare that the funds being used in this transaction originate from the following sources:	<input type="checkbox"/> Ordinary activities of the Company (including debt financing)..... <input type="checkbox"/> Other (specify).....
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V) IDENTIFICATION OF COMPANY'S BENEFICIAL OWNER*

Individual person who is a beneficial owner holding more than a 25% stake				
Name and surname				
DNI/ Foreign Resident's ID number (NIE)				
Nationality				
% participation	Direct		Indirect	

*Please provide ID or passport.

EXEMPTIONS:

- I. Indicate whether the company, ultimate shareholder or parent company is listed on a regulated stock/securities market
- NO YES ☐ ☐

If it is listed, indicate the stock exchange in question.....

- II. In the event that there is no individual person who owns or controls more than 25% of the share capital or voting rights, indicate the directors or person responsible for management duties.

Name and surname			
DNI/ Foreign Resident's ID number (NIE)			
Nationality			

SIGNED BY

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